SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

SPECIAL MEETING AGENDA
JUNE 14, 2018 9:00 A.M.

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

Addressing the Agency:

- ***Agenda Items:*** *Members of the public may address the Successor Agency on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called and prior to the individual being heard by the Successor Agency.*

- ***Public Comments (Agenda Items Only):*** *During oral communications, if you wish to address the Agency Board during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Agency Board concerning any item that has been described in the notice for the Special Meeting.*

Americans with Disabilities Act:

- *In compliance with the ADA, if you need special assistance to participate in any meeting (including assisted listening devices), please contact the Office of the Secretary to the Successor Agency (626) 333-2211. Notification of at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.*

Agendas and other writings:

- *In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the Secretary of the Successor Agency during regular business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m.*

1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comment

5. **BOARD MATTERS**

5.1 Consideration of Resolution No. SA 2018-14 – A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR 555 EL ENCANTO ROAD, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS

RECOMMENDED ACTION: Adopt Resolution No. SA 2018-14.

5.2 Consideration of Resolution No. SA 2018-13 - A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND WINEFIELD & ASSOCIATES, LLC, FOR 841 7th AVENUE, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS

RECOMMENDED ACTION: Adopt Resolution No. SA 2018-13.

5.3 Consideration of Resolution No. SA 2018-15 – A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND P.T. ENTERPRISES, LLC, FOR 17647 GALE AVENUE, CITY OF INDUSTRY, AND MAKING THE REQUISITE CEQA FINDINGS

RECOMMENDED ACTION: Adopt Resolution No. SA 2018-15.

5.4 Consideration of Change Order Nos. 3, 12, 13, 14, 15 and 16 for Contract No. IBC-0381R, Industry Business Center, Phase 2 Mass Grading, Middle West Side with Sukut Construction, LLC, and authorize the Chairman to execute the approved change orders

RECOMMENDED ACTION: Approve Change Order Nos. 3, 12, 13, 14, 15 & 16 and authorize the Chairman to execute the Change Orders.

6. **CLOSED SESSION**

6.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: Skyscraper Brewing Company, Inc., v. Successor Agency to the Industry-Urban Development Agency, City of Industry, et al.
Los Angeles Superior Court East District
Case No. KC0268505

6.2 CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Diamond Bar v. City of Industry, Successor Agency to the Industry Urban-Development Agency, Oversight Board of the Successor Agency to the Industry Urban-Development Agency; Successor Agency to the Industry Urban-Development Agency; et al.
Superior Court of California, County of Sacramento
Case No. 34-2017-80002718-CU-WM-GDS

6.3 CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Chino Hills v. Oversight Board of the Successor Agency to the Industry Urban-Development Agency; Successor Agency to the Industry Urban-Development Agency; et al.
Superior Court of California, County of Sacramento
Case No. 34-2017-80002719-CU-WM-GDS

6.4 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Diamond Bar v. City of Industry, City of Industry City Council; Successor Agency to the Industry Urban-Development Agency; Board of Directors of the Successor Agency to the Industry Urban-Development Agency; Oversight Board of the Successor Agency to the Industry Urban-Development Agency; et al.
Superior Court of California, County of Los Angeles
Case No. BS171295

6.5 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Chino Hills v. City of Industry, City of Industry City Council; Successor Agency to the Industry Urban-Development Agency; Board of Directors of the Successor Agency to the Industry Urban-Development Agency; Oversight Board of the Successor Agency to the Industry Urban-Development Agency; et al.
Superior Court of California, County of Los Angeles
Case No. BS171398

6.6 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Diamond Bar v. City of Industry; Successor Agency to the Industry Urban-Development Agency; Oversight Board of the Successor Agency to the Industry Urban- Development Agency; et al.
Superior Court of California, County of Los Angeles
Case No. BS173224

6.7 CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: City of Chino Hills v. City of Industry, *et al.*
Superior Court of California, County of Los Angeles
Case No. BS172995

7. Adjournment. Next regular Successor Agency meeting will be on Thursday, June 28, 2018 at 8:30 a.m.

SUCCESSOR AGENCY

ITEM NO. 5.1

RESOLUTION NO. SA 2018-14

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND THE CITY OF INDUSTRY FOR 555 EL ENCANTO ROAD, CITY OF INDUSTRY AND NOTICE OF EXEMPTION REGARDING SAME

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos* (*"Matosantos"*), finding Assembly Bill X1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *Matosantos*, all California redevelopment agencies, including the Industry Urban-Development Agency of the City of Industry ("Agency"), were dissolved on February 1, 2012, and successor agencies, including the Agency, were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, on September 22, 2011, the City Council of the City of Industry (the "City") adopted Resolution No. 2011-20 accepting for the City the role of Successor Agency, in accordance with the provisions of Health & Safety Code Section 34177(j); and

WHEREAS, under the provisions of Health & Safety Code Section 34191.4, once the Department of Finance ("Department") issues a finding of completion, successor agencies are provided with additional authority to carry out the wind down process; and

WHEREAS, in accordance with Health & Safety Code Section 34191.5, after the issuance of a finding of completion, successor agencies are required to prepare a Long Range Property Management Plan ("LRPMP"), which must identify all Agency-owned real property, and address the disposition and use of the real properties; and

WHEREAS, the Agency received its Finding of Completion from the Department on April 26, 2013; and

WHEREAS, the LRPMP was submitted to the Department, and was approved by the Department on February 21, 2014; and

WHEREAS, upon approval of the LRPMP by the Department, all Agency property was transferred to the Agency's Community Redevelopment Property Trust Fund; and

WHEREAS, the Agency owns certain property located at 555 El Encanto Road, City of Industry, California (Property #53); and

WHEREAS, pursuant to the provisions of the LRPMP, the Agency desires to sell the Property at its highest and best use, maximizing its value, in furtherance of the economic goals and as provided for in the City's General Plan; and

WHEREAS, the Agency desires to sell the Property to the City, pursuant to a Purchase and Sale Agreement (the "Agreement"), dated June __, 2018, attached hereto as Exhibit A, and incorporated herein by reference. The purchase price is $900,000.00, which represents an amount equal to or greater than the current fair market value of the Property, as determined by an appraisal performed by John P. Laurain, MAI, ASA of R.P. Laurain & Associates, Inc.; and

WHEREAS, the purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Agreement and believes that the redevelopment of the Property in accordance therewith is in the best interests of the Agency and the health, safety and welfare of its residents, maximizes value, is consistent with the provisions of the LRPMP, and is consistent with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE SUCCESSOR AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. All necessary public hearings and opportunities for public testimony and comment have been conducted in compliance with State law and the Municipal Code of the City of Industry.

SECTION 3. The purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA.

Based on these findings, the Successor Agency adopts the Notice of Exemption and directs staff to file same as required by law and affirm their respective approval of the purchase and sale of the Property.

SECTION 4. The Agency Board hereby approves the Purchase and Sale Agreement, attached hereto as Exhibit A.

SECTION 5. The Agency hereby directs staff to comply with all applicable statutes regarding the distribution of the sales proceeds to the Los Angeles County Auditor-Controller for distribution to the taxing entities.

SECTION 6. The Executive Director is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

SECTION 7. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 8. Certification. The Agency Secretary shall certify to the passage and adoption of this Resolution and enter it into the respective book of original resolutions.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 14th day of June, 2018, by the following vote:

AYES: AGENCY BOARD MEMBERS:

NOES: AGENCY BOARD MEMBERS:

ABSENT: AGENCY BOARD MEMBERS:

ABSTAIN: AGENCY BOARD MEMBERS:

_____

Mark D. Radecki, Chairperson

ATTEST:

_____

Diane M. Schlichting, Agency Secretary

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
555 El Encanto Road, City of Industry

THIS PURCHASE AGREEMENT for the property located at 555 El Encanto Road, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June __, 2018 (the "Effective Date") is entered into by and between the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, a public body corporate and politic, (the "Agency" or "Seller") and the CITY OF INDUSTRY, a municipal corporation (the "City" or "Buyer"). The Agency and the City are hereinafter sometimes individually referred to as a "party" and collectively referred to as the "parties."

RECITALS

A. Agency is the owner of that certain real property located at 555 El Encanto Road, City of Industry, California, and the reciprocal easement area, as more particularly described on Exhibit A attached hereto together with all right, title and interest in and to all appurtenances and improvements (collectively, the "Property").

B. The Property was previously owned by the Industry Urban-Development Agency ("IUDA"). On June 28, 2011, the Governor signed into law ABX1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency was dissolved by operation of law, and, upon dissolution, all assets, properties and contracts of the IUDA, including the Property, were transferred, by operation of law, to the Agency pursuant to the provisions of Health and Safety Code § 34175 (b).

D. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer on the terms and conditions contained in this Agreement.

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, Buyer and Seller agree as follows:

1. PURCHASE AND SALE. Pursuant to the terms and conditions contained in this Agreement, Seller hereby agrees to sell the Property to Buyer and, Buyer hereby agrees to purchase the Property from Seller.

2. PURCHASE PRICE. The purchase price ("Purchase Price") for the Property shall be Nine Hundred Thousand and 00/100 Dollars ($900,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A below). A non-refundable deposit equal to ten percent (10%) of the Purchase Price shall be deposited into escrow by Buyer within five (5) days after execution of this Agreement by Seller and delivery to Buyer ("Deposit"). At the close of escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the

conditions to closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

3. ESCROW.

A. Opening of Escrow. Buyer has opened an escrow at the offices of First American Title Insurance Company. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

4. CONDITIONS TO CLOSING.

A. Buyer's Conditions to Closing. Close of Escrow and Buyer's obligation to purchase the Property pursuant to this Agreement are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("Title Report"). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

If any of the conditions to Buyer's obligations set forth above fail to occur at or before the Closing Date through no fault of Buyer, then Buyer may cancel the Escrow, terminate this Agreement, and recover any amounts paid by Buyer to the Escrow Holder toward the Purchase Price.

B. Seller's Condition to Closing. Close of Escrow and Seller's obligation to sell the Property to Buyer pursuant to this Agreement, are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Authorization to Sell. Prior to the Closing, Seller shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the Dissolution Legislation, including California Department of Finance approval of the Oversight Board resolution approving the sale of the Property to Buyer on the terms and conditions set forth herein.

(ii) No Default. Buyer shall not be in material default of Buyer's obligations under this Agreement, including, but not limited to, Buyer's obligation to deliver the Purchase Price into escrow on or before the Closing Date. If the conditions above have not been satisfied or waived by Seller at or before the Closing Date through no fault of Seller, then Seller may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES.

A. Buyer hereby represents and warrants to Seller that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

B. Except as provided in Section 4 B (i) above, Seller hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

C. Seller hereby represents and warrants that (i) Seller has not released any Hazardous Materials on the Property, (ii) Seller has no actual knowledge of any release of Hazardous Materials (as defined below) on the Property, and (iii) Seller has not received any notice of any violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. For purposes of this Agreement, the term "Hazardous Materials" shall mean any and all of those materials, substances, wastes, pollutants, contaminants, byproducts, or constituents which have been determined to be injurious to health or the environment, including without limitation those designated as hazardous or toxic by any federal, state or local law, ordinance, rule, regulation or policy, and any other materials, substances, wastes, pollutants, contaminants, by-products or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies. Notwithstanding the foregoing, Seller hereby discloses that a healthcare facility is currently operating on the Property, and has been in constant operation for several decades.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

The Property shall be conveyed from the Agency to the City on an "AS IS" condition and basis with all faults and the City agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the City and anyone claiming by, through or under the City hereby waives its right to recover from and fully and irrevocably releases the Agency, the City and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the City may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 2.8. This release includes claims of which the City is presently unaware or which the City does not presently suspect to exist which, if known by the City, would materially affect the City's release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the City to take such action as may be necessary to place the Property in a condition suitable for development of the Project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing, THE AGENCY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE CITY FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE CITY IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE CITY HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, CITY HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

City's Initials

_____

The waivers and releases by the City herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or prior to Closing, Seller shall deposit into Escrow the executed Assignment, and a Grant Deed in the form attached hereto as Exhibit B, properly executed and acknowledged by Seller, in favor of Buyer, containing the legal description of the Property and subject only to the Approved Exceptions. At or prior to Closing, Buyer and Seller shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Seller the Purchase Price, when (1) Escrow Holder holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B below, (3) the conditions specified in Section 4 have been satisfied or waived and (4) Escrow Holder holds, and is able to deliver to Buyer, the executed Assignment.

B Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a standard coverage American Land Title Association ("ALTA") owner's form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and the standard printed exclusions from coverage of an ALTA standard title policy ("Title Policy").

C Recordation and Delivery. At the Closing, Escrow Holder shall (1) forward the Grant Deed to the recorder for recordation, and (2) deliver the Title Policy as provided in Section 7B, above and the Assignment to Buyer at the address set forth in Section 13.

D. Obligation to Refrain from Discrimination. The City covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the City (itself or any person claiming under or through the City) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. Notwithstanding the foregoing, if and when the City conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the City shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale shall contain the following nondiscrimination or nonsegregation clauses:

(i) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(ii) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(iii) In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or

(d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

F. Restrictive Covenant. In order to insure the City's compliance with the covenants set forth in Sections 5.1, 5.2, 5.3, and 5.4 hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the City.

G. Effect and Duration of Covenants. The following covenants shall be binding upon the Property and City and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the City:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

(2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

8. BROKERS. Seller and Buyer hereby represent to each other that there are no brokers, finders, or other persons entitled to a commission, finder's fee or other payment in connection with this Agreement. Buyer and Seller hereby agree to indemnify, defend, protect, and hold the other harmless from and against any claims, liabilities, or damages for commissions or finder's fees brought by any third party who has dealt or claims to have dealt with the indemnifying party pertaining to the Property.

9. FIRPTA. Seller warrants that it is not a foreign person or entity as defined in the Foreign Investors Real Property Tax Act and prior to the close of escrow Seller will deposit an affidavit certifying same. Escrow Holder's duties pertaining to these provisions are limited to the receipt from Seller of such affidavit prior to the close of escrow and delivery to Buyer of such affidavit at the close of escrow.

10. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California.

11. PROPERTY TAXES. Buyer shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period on or after the Closing. Seller shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period prior to the Close of Escrow.

12. CLOSING COSTS. Buyer and Seller shall split equally the documentary transfer taxes, customary escrow fee and charges and recordation fees and the cost of the Title Policy. Any endorsements to the Title Policy requested by Buyer shall be paid for by Buyer. Tenant rental payments, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

13. NOTICES. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by national overnight courier service, sent by facsimile transmission, if also sent by one of the other methods provided in this Section, or sent by registered or certified mail, first class postage prepaid, return receipt requested, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice, (ii) the date of the facsimile transmission, or (iii) three (3) business days after the date of posting with the United States Postal Service at the following addresses:

To Buyer: Troy Helling, Acting City Manager
15625 East Stafford Street, Suite 100
City of Industry, California 91744

To Seller: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Troy Helling, Acting Executive Director

with a copy to: James M. Casso
Casso & Sparks, LLP
13200 Crossroads Parkway N
Suite 345
City of Industry, CA 91746

Any party to this Agreement may change its address for receipt of notices by giving notice of such change to the other party in the manner set forth in this Section. Neither the rejection of a notice by the addressee or the inability to deliver a notice because of a change of address for which no change of address notice was received, shall affect the date on which such notice is deemed received.

14. RECEIPT OF PROPERTY DOCUMENTS. Buyer acknowledges that it has received and had the opportunity to review the following document:

(i) The Title Report

15. MISCELLANEOUS.

A. Time. Time is of the essence of this Agreement with respect to each and every provision hereof in which time is a factor.

B. Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior agreements and understandings between the parties. No change in, modification of or amendment to this Agreement shall be valid unless set forth in writing and signed by all of the parties subsequent to the execution of this Agreement.

C. Further Assurances. Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing Date, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.

D. Successors. Subject to the provisions of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, representatives, successors and assigns.

E. Severability. In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall be effective only to the extent of such determination and shall not prohibit or otherwise render ineffective any other provision of this Agreement.

F. Exhibits. References herein to exhibits are to Exhibit A and Exhibit B attached hereto, which exhibits are hereby incorporated by reference.

G. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the date first written above.

CITY OF INDUSTRY

By:_____
Mark D. Radecki, Mayor

ATTEST:

_____
Diane M. Schlichting, City Clerk

APPROVED AS TO FORM:

By:_____
James M. Casso, City Attorney

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

By:_____
Mark D. Radecki, Chairman

ATTEST:

_____
Diane M. Schlichting, Agency Secretary

APPROVED AS TO FORM:

By:_____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

Exhibit "A"	Legal Description of the Property
Exhibit "B"	Form of Grant Deed

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California, described as follows:

(555 El Encanto)
APN: 8208-027-901 & 8208-027-902

PARCELS 1 AND 2 OF PARCEL MAP NO. 176, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 136, PAGES 61 AND 62, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 280,976 SQUARE FEET, (6.450 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: $_____

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY** (the "**Grantor**"), hereby grants to **THE CITY OF INDUSTRY** (the "**Grantee**"), that certain real property described in Exhibit A attached hereto (the "**Site**") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Purchase Agreement [555 El Encanto Road] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. Subject to the provisions of Section 7 of the Agreement, the Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the

Grantee, or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

2. All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

(a) In deeds: "The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(c) In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

3. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect as provided in the Agreement, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies provided herein or otherwise available, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

4. The covenants contained in Paragraphs 2 and 3 of this Grant Deed shall remain in effect in perpetuity except as otherwise expressly set forth therein.

5. In the event the Grantee sells the Property and the future use of the Property shall be for a use other than governmental use, the proportion of the sales proceeds attributable to the non-governmental use shall be distributed by the Grantee to the Los Angeles County Auditor-Controller for eventual distribution to the taxing entities as defined in AB 26 X 1 & AB 1484, commonly known as the Dissolution Act.

6. This Grant Deed may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

By:_____
Mark Radecki, Chairman

ATTEST:

_____
Diane Schlichting, Agency Secretary

GRANTEE:

CITY OF INDUSTRY

By:_____
Mark Radecki, Mayor

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

Exhibit A to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California, described as follows:

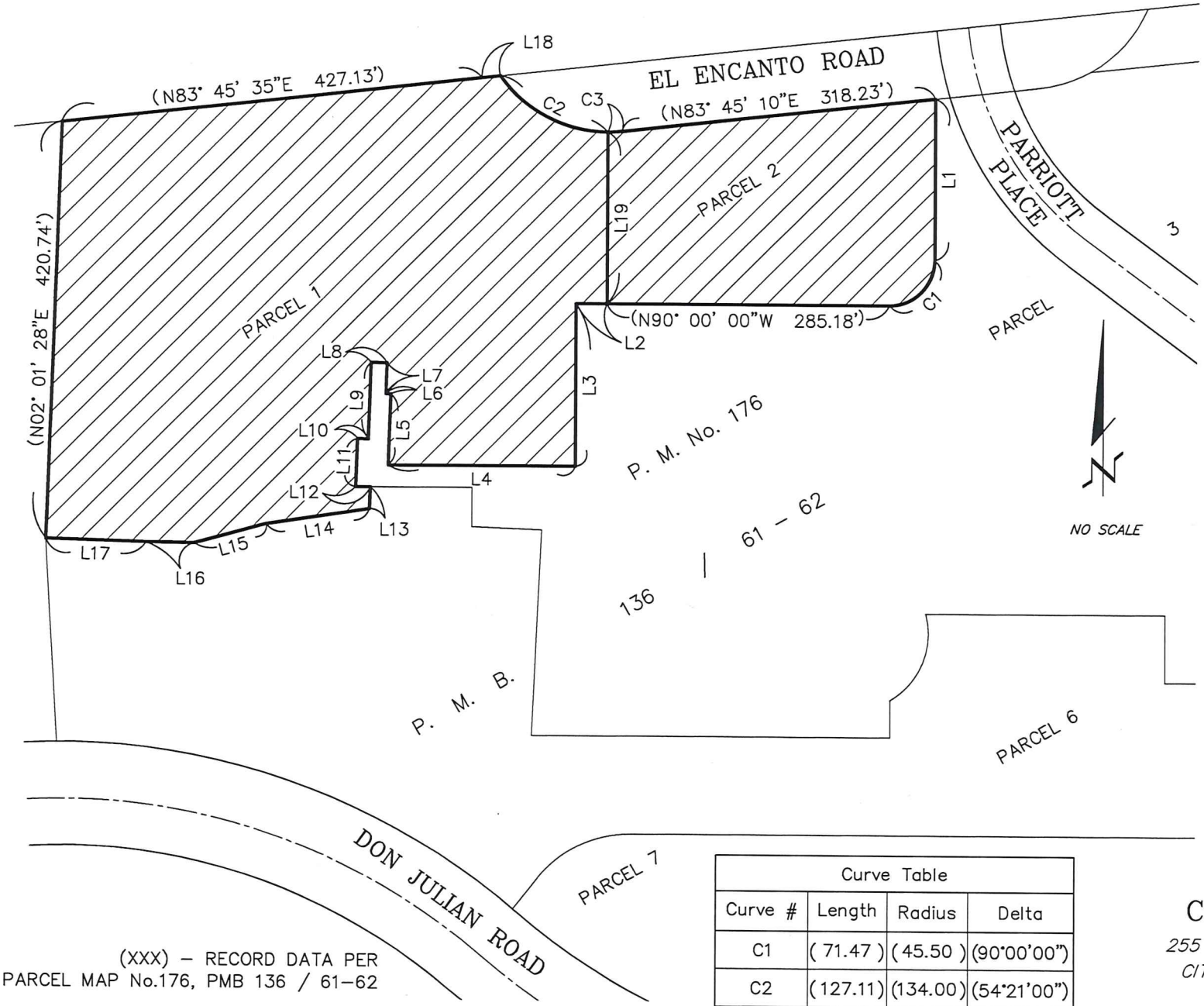
(555 El Encanto)
APN: 8208-027-901 & 8208-027-902

PARCELS 1 AND 2 OF PARCEL MAP NO. 176, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 136, PAGES 61 AND 62, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 280,976 SQUARE FEET, (6.450 ACRES), OF LAND, MORE OR LESS.

AND AS SHOWN ON EXHIBIT "B" ATTACHED HEREON AND MADE PART OF HEREOF.

EXHIBIT "B"



Line Table		
Line #	Direction	Length
L1	(S00° 00' 00"E)	(163.18)
L2	(N90° 00' 00"W)	(31.44)
L3	(S00° 00' 00"E)	(163.89)
L4	(N90° 00' 00"W)	(189.41)
L5	(N02° 00' 26"E)	(71.78)
L6	(N87° 59' 34"W)	(5.00)
L7	(N02° 00' 26"E)	(31.09)
L8	(N87° 59' 34"W)	(16.00)
L9	(S02° 00' 26"W)	(77.51)
L10	(N87° 59' 34"W)	(10.82)
L11	(S02° 00' 26"W)	(48.54)
L12	(N90° 00' 00"E)	(14.72)
L13	(S02° 17' 12"W)	(22.16)
L14	(S81° 29' 09"W)	(105.55)
L15	(S74° 48' 26"W)	(75.50)
L16	(N89° 24' 02"W)	(48.53)
L17	(N88° 17' 03"W)	(101.61)
L18	(N83° 45' 10"E)	(18.82)
L19	(S00° 00' 00"E)	(173.25)

Curve Table			
Curve #	Length	Radius	Delta
C1	(71.47)	(45.50)	(90°00'00")
C2	(127.11)	(134.00)	(54°21'00")
C3	(14.37)	(134.00)	(6°08'33")

(XXX) – RECORD DATA PER
PARCEL MAP No.176, PMB 136 / 61–62

Legal No.891

Prepared by:
CNC ENGINEERING
255 N. HACIENDA BLVD, Suite 222
CITY OF INDUSTRY, CA. 91744
Phone (626) 333–0336

Job No. MP 12–03#3 August 15, 2017

SUCCESSOR AGENCY

ITEM NO. 5.2

RESOLUTION NO. SA 2018-13

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND WINEFIELD & ASSOCIATES, LLC FOR 841 7th AVENUE, CITY OF INDUSTRY AND NOTICE OF EXEMPTION REGARDING SAME

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding Assembly Bill X1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *Matosantos*, all California redevelopment agencies, including the Industry Urban-Development Agency of the City of Industry ("Agency"), were dissolved on February 1, 2012, and successor agencies, including the Agency, were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, on September 22, 2011, the City Council of the City of Industry (the "City") adopted Resolution No. 2011-20 accepting for the City the role of Successor Agency, in accordance with the provisions of Health & Safety Code Section 34177(j); and

WHEREAS, under the provisions of Health & Safety Code Section 34191.4, once the Department of Finance ("Department") issues a finding of completion, successor agencies are provided with additional authority to carry out the wind down process; and

WHEREAS, in accordance with Health & Safety Code Section 34191.5, after the issuance of a finding of completion, successor agencies are required to prepare a Long Range Property Management Plan ("LRPMP"), which must identify all Agency-owned real property, and address the disposition and use of the real properties; and

WHEREAS, the Agency received its Finding of Completion from the Department on April 26, 2013; and

WHEREAS, the LRPMP was submitted to the Department, and was approved by the Department on February 21, 2014; and

WHEREAS, upon approval of the LRPMP by the Department, all Agency property was transferred to the Agency's Community Redevelopment Property Trust Fund; and

WHEREAS, the Agency owns certain property located at 841 7th Avenue, City of Industry, California (Property #43); and

WHEREAS, pursuant to the provisions of the LRPMP, the Agency desires to sell the Property at its highest and best use, maximizing its value, in furtherance of the economic goals and as provided for in the City's General Plan; and

WHEREAS, the Agency desires to sell the Property to the Winefield & Associates, LLC, pursuant to a Purchase and Sale Agreement (the "Agreement"), dated June __, 2018, attached hereto as Exhibit A, and incorporated herein by reference. The purchase price is $10,000.00, which represents an amount equal to or greater than the current fair market value of the Property, as determined by an appraisal performed by John P. Laurain, MAI, ASA of R.P. Laurain & Associates, Inc.; and

WHEREAS, the purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Agreement and believes that the redevelopment of the Property in accordance therewith is in the best interests of the Agency and the health, safety and welfare of its residents, maximizes value, is consistent with the provisions of the LRPMP, and is consistent with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE SUCCESSOR AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. All necessary public hearings and opportunities for public testimony and comment have been conducted in compliance with State law and the Municipal Code of the City of Industry.

SECTION 3. The purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA.

Based on these findings, the Agency adopts the Notice of Exemption and direct staff to file same as required by law and affirm their respective approval of the purchase and sale of the Property.

SECTION 4. The Agency Board hereby approves the Purchase and Sale Agreement, attached hereto as Exhibit A.

SECTION 5. The Agency hereby directs staff to comply with all applicable statutes regarding the distribution of the sales proceeds to the Los Angeles County Auditor-Controller for distribution to the taxing entities.

SECTION 6. The Executive Director is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

SECTION 7. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 8. Certification. The Agency Secretary shall certify to the passage and adoption of this Resolution and enter it into the respective book of original resolutions.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 14th day of June, 2018, by the following vote:

AYES: AGENCY BOARD MEMBERS:

NOES: AGENCY BOARD MEMBERS:

ABSENT: AGENCY BOARD MEMBERS:

ABSTAIN: AGENCY BOARD MEMBERS:

_____

Mark D. Radecki, Chairman

ATTEST:

_____

Diane M. Schlichting, Agency Secretary

PURCHASE AND SALE AGREEMENT
AND ESCROW INSTRUCTIONS
841 7th Avenue, City of Industry

THIS PURCHASE AGREEMENT for the property located at 841 7TH AVENUE, CITY OF INDUSTRY, CA (this "Agreement"), dated as of June__,2018 (the "Effective Date") is entered into by and between the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, a public body corporate and politic, (the "Agency" or "Seller") and WINEFIELD & ASSOCIATES, a California corporation (the "Winefield" or "Buyer"). The Agency and the Winefield are hereinafter sometimes individually referred to as a "party" and collectively referred to as the "parties."

RECITALS

A. Agency is the owner of that certain real property located at 841 7th Avenue, City of Industry, California, and the reciprocal easement area, as more particularly described on Exhibit A attached hereto together with all right, title and interest in and to all appurtenances and improvements (collectively, the "Property").

B. The Property was previously owned by the Industry Urban-Development Agency ("IUDA"). On June 28, 2011, the Governor signed into law ABX1 26, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California. AB X1 26 was subsequently amended by Assembly Bill 1484 (collectively, as amended, "Dissolution Act").

C. Pursuant to the Dissolution Act, the City of Industry elected to be the Successor Agency to the IUDA to administer the dissolution and winding down of the IUDA. On February 1, 2012, pursuant to the Dissolution Legislation, the Agency was dissolved by operation of law, and, upon dissolution, all assets, properties and contracts of the IUDA, including the Property, were transferred, by operation of law, to the Agency pursuant to the provisions of Health and Safety Code § 34175 (b).

D. Buyer desires to purchase the Property from Seller, and Seller desires to sell the Property to Buyer on the terms and conditions contained in this Agreement.

NOW, THEREFORE, for valuable consideration, and subject to all terms and conditions hereof, Buyer and Seller agree as follows:

1. PURCHASE AND SALE. Pursuant to the terms and conditions contained in this Agreement, Seller hereby agrees to sell the Property to Buyer and, Buyer hereby agrees to purchase the Property from Seller.

2. PURCHASE PRICE. The purchase price ("Purchase Price") for the Property shall be Ten Thousand and 00/100 Dollars ($10,000.00) (the "**Purchase Price**"), payable by Buyer to Seller in cash at the Closing (as defined in Section 7A below). A non-refundable deposit equal to ten percent (10%) of the Purchase Price shall be deposited into escrow by Buyer within five (5) days after execution of this Agreement by Seller and delivery to Buyer ("Deposit"). At the close of escrow, the Deposit shall be applied to the Purchase Price. Notwithstanding the above, if any of the conditions

to closing set forth in Section 4 are not satisfied and escrow fails to close as a result thereof, the Deposit shall be fully refundable to Buyer.

3. ESCROW.

A. Opening of Escrow. Buyer has opened an escrow at the offices of First American Title Insurance Company. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com. Upon mutual execution of this Agreement, Buyer and Seller shall deliver a fully executed copy of this Agreement to Escrow Holder.

B. Closing Date. Escrow shall close within thirty (30) days, or less, after satisfaction of the Condition to Closing set forth in Section 4 B (i). For purposes of this Agreement, the closing date ("Closing Date") shall mean the date on which a grant deed conveying the Property to Buyer is recorded in the Los Angeles County Recorder's Office.

4. CONDITIONS TO CLOSING.

A. Buyer's Conditions to Closing. Close of Escrow and Buyer's obligation to purchase the Property pursuant to this Agreement are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Title. Buyer acknowledges receipt of a preliminary title report prepared by Escrow Holder for the Property ("Title Report"). Buyer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property ("Approved Exceptions"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

(ii) Delivery of Deed. Seller shall have executed and deposited into Escrow, for delivery to Buyer, the Grant Deed attached hereto as Exhibit B.

If any of the conditions to Buyer's obligations set forth above fail to occur at or before the Closing Date through no fault of Buyer, then Buyer may cancel the Escrow, terminate this Agreement, and recover any amounts paid by Buyer to the Escrow Holder toward the Purchase Price.

B. Seller's Condition to Closing. Close of Escrow and Seller's obligation to sell the Property to Buyer pursuant to this Agreement, are subject to the satisfaction of the following conditions at or prior to Closing:

(i) Authorization to Sell. Prior to the Closing, Seller shall have obtained any and all authorizations and approvals necessary to sell the Property pursuant to the Dissolution Legislation, including California Department of Finance approval of the Oversight Board resolution approving the sale of the Property to Buyer on the terms and conditions set forth herein.

(ii) No Default. Buyer shall not be in material default of Buyer's obligations under this Agreement, including, but not limited to, Buyer's obligation to deliver the Purchase Price into escrow on or before the Closing Date. If the conditions above have not been satisfied or waived by Seller at or before the Closing Date through no fault of Seller, then Seller may, upon written notice to Buyer, cancel the Escrow, terminate this Agreement, and recover any documents delivered to the Escrow Holder pursuant to this Agreement.

5. REPRESENTATIONS AND WARRANTIES.

A. Buyer hereby represents and warrants to Seller that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Buyer in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

B. Except as provided in Section 4 B (i) above, Seller hereby represents and warrants to Buyer that (i) it has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby; (ii) all requisite action (corporate, trust, partnership or otherwise) has been taken by Seller in connection with entering into this Agreement and the instruments referenced herein, and the consummation of the transactions contemplated hereby; and (iii) no consent of any other party is required.

C. Except as disclosed on those reports set forth on Exhibit C attached hereto (collectively, "Environmental Reports"), Seller hereby represents and warrants that (i) Seller has not released any Hazardous Materials on the Property, (ii) Seller has no actual knowledge of any release of Hazardous Materials (as defined below) on the Property, and (iii) Seller has not received any notice of any violation of any law, ordinance, rule, regulation or order of any governmental authority pertaining to the Property. For purposes of this Agreement, the term "Hazardous Materials" shall mean any and all of those materials, substances, wastes, pollutants, contaminants, byproducts, or constituents which have been determined to be injurious to health or the environment, including without limitation those designated as hazardous or toxic by any federal, state or local law, ordinance, rule, regulation or policy, and any other materials, substances, wastes, pollutants, contaminants, by-products or constituents requiring remediation under federal, state or local laws, ordinances, rules, regulations or policies.

D. Seller hereby represents and warrants to Buyer that there are no leases, options to purchase, rights of first refusal or contracts for lease or sale of the Property; and (ii) there are no liens or claims against the Property other than the Approved Exceptions.

E. Seller hereby represents and warrants to Buyer that during the term of this Agreement Seller shall not, without Buyer's prior written approval, modify any contracts which will not be terminated on or before Closing.

6. CONDITION OF PROPERTY

The Property shall be conveyed from the Agency to the Buyer on an "AS IS" condition and basis with all faults and the Buyer agrees that the Agency has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the Buyer and anyone claiming by, through or under the Buyer hereby waives its right to recover from and fully and irrevocably releases the Agency, the Buyer and the Oversight Board, and their respective officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the Agency's, City's or Oversight Board's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the Buyer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 2.8. This release includes claims of which the Buyer is presently unaware or which the Buyer does not presently suspect to exist which, if known by the Buyer, would materially affect the Buyer's release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the Buyer to take such action as may be necessary to place the Property in a condition suitable for development of the Project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing, THE AGENCY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER OR ADJACENT TO THE PROPERTY; (viii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (ix) WITH RESPECT TO ANY OTHER MATTER, THE BUYER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE BUYER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE AGENCY.

THE BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF

KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Winefield's Initials

_____

The waivers and releases by the Buyer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7. CLOSING OF ESCROW.

A. Delivery of Documents and Payment. At or prior to Closing, Seller shall deposit into Escrow the executed Assignment, and a Grant Deed in the form attached hereto as Exhibit B, properly executed and acknowledged by Seller, in favor of Buyer, containing the legal description of the Property and subject only to the Approved Exceptions. At or prior to Closing, Buyer and Seller shall have each deposited into Escrow any supplemental escrow instructions necessary to close this Escrow. Escrow Holder shall deliver to Seller the Purchase Price, when (1) Escrow Holder holds, and is able to record, the Grant Deed, (2) Escrow Holder is prepared to issue to Buyer the Title Policy as provided in Section 7 B below, (3) the conditions specified in Section 4 have been satisfied or waived and (4) Escrow Holder holds, and is able to deliver to Buyer, the executed Assignment.

B Title Insurance. At the Close of Escrow, Buyer shall obtain from Escrow Holder a standard coverage American Land Title Association ("ALTA") owner's form policy of title insurance in the amount of the Purchase Price insuring title to the Property in the name of Buyer subject only to the Approved Exceptions and the standard printed exclusions from coverage of an ALTA standard title policy ("Title Policy").

C Recordation and Delivery. At the Closing, Escrow Holder shall (1) forward the Grant Deed to the recorder for recordation, and (2) deliver the Title Policy as provided in Section 7B, above and the Assignment to Buyer at the address set forth in Section 13.

D. Obligation to Refrain from Discrimination. The Buyer covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the Buyer (itself or any person claiming under or through the Buyer) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. Notwithstanding the foregoing, if and when the Buyer conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the

Buyer shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

E. Form of Nondiscrimination and Nonsegregation Clauses. All deeds, leases or contracts for sale shall contain the following nondiscrimination or nonsegregation clauses:

(i) In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(ii) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(iii) In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

F. Restrictive Covenant. In order to insure the Buyer's compliance with the covenants set forth in Sections 5.1, 5.2, 5.3, and 5.4 hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the Buyer.

G. Effect and Duration of Covenants. The following covenants shall be binding upon the Property and Buyer and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the Buyer:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

(2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;

(3) Easements to the Agency, Buyer or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

(4) The use requirement regarding using the Property only for the construction of the Improvements set forth in Section 5.1 shall remain in effect until the earlier of the completion of the Improvements, or one (1) year after Close of Escrow if the reason for the failure to complete the Improvements is not due to a default by Buyer. The use requirement regarding using the Property for any lawful purpose shall remain in effect in perpetuity.

8. BROKERS. Seller and Buyer hereby represent to each other that there are no brokers, finders, or other persons entitled to a commission, finder's fee or other payment in connection with this Agreement. Buyer and Seller hereby agree to indemnify, defend, protect, and hold the other

harmless from and against any claims, liabilities, or damages for commissions or finder's fees brought by any third party who has dealt or claims to have dealt with the indemnifying party pertaining to the Property.

9. FIRPTA. Seller warrants that it is not a foreign person or entity as defined in the Foreign Investors Real Property Tax Act and prior to the close of escrow Seller will deposit an affidavit certifying same. Escrow Holder's duties pertaining to these provisions are limited to the receipt from Seller of such affidavit prior to the close of escrow and delivery to Buyer of such affidavit at the close of escrow.

10. GOVERNING LAW. This Agreement shall be construed and enforced in accordance with the applicable laws of the State of California.

11. PROPERTY TAXES. Buyer shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period on or after the Closing. Seller shall be responsible for any property or other taxes assessed against the Property to the extent attributable to the period prior to the Close of Escrow.

12. CLOSING COSTS. Buyer and Seller shall split equally the documentary transfer taxes, customary escrow fee and charges and recordation fees and the cost of the Title Policy. Any endorsements to the Title Policy requested by Buyer shall be paid for by Buyer. Tenant rental payments, real property taxes and assessments (if any), utility and other operating costs of the Property shall be prorated at Closing.

13. NOTICES. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered, sent by national overnight courier service, sent by facsimile transmission, if also sent by one of the other methods provided in this Section, or sent by registered or certified mail, first class postage prepaid, return receipt requested, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice, (ii) the date of the facsimile transmission, or (iii) three (3) business days after the date of posting with the United States Postal Service at the following addresses:

To Buyer:
Matt Winefield, President
Winefield & Associates
38 Park Avenue
Long Beach, CA 90803

To Seller:
Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, CA 91744
Attention: Troy Helling, Acting Executive Director

with a copy to:
James M. Casso
Casso & Sparks, LLP
13200 Crossroads Parkway N
Suite 345
City of Industry, CA 91746

Any party to this Agreement may change its address for receipt of notices by giving notice of such change to the other party in the manner set forth in this Section. Neither the rejection of a notice by the addressee or the inability to deliver a notice because of a change of address for which no change of address notice was received, shall affect the date on which such notice is deemed received.

14. RECEIPT OF PROPERTY DOCUMENTS. Buyer acknowledges that it has received and had the opportunity to review the following documents:

(i) The Title Report; and
(ii) The Environmental Reports.

15. MISCELLANEOUS.

A. Time. Time is of the essence of this Agreement with respect to each and every provision hereof in which time is a factor.

B. Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior agreements and understandings between the parties. No change in, modification of or amendment to this Agreement shall be valid unless set forth in writing and signed by all of the parties subsequent to the execution of this Agreement.

C. Further Assurances. Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action, whether prior or subsequent to the Closing Date, as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Agreement.

D. Successors. Subject to the provisions of this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, executors, representatives, successors and assigns.

E. Severability. In the event any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall be effective only to the extent of such determination and shall not prohibit or otherwise render ineffective any other provision of this Agreement.

F. Exhibits. References herein to exhibits are to Exhibit A, Exhibit B and Exhibit C attached hereto, which exhibits are hereby incorporated by reference.

G. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this Agreement to physically form one document.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the date first written above.

WINEFIELD & ASSOCIATES

By:_____
Matt Winefield, President

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

By:_____
Mark D. Radecki, Chairman

ATTEST:

_____
Diane M. Schlichting, Agency Secretary

APPROVED AS TO FORM:

By:_____
James M. Casso, Agency Counsel

LIST OF EXHIBITS

Exhibit "A"	Legal Description of the Property
Exhibit "B"	Form of Grant Deed
Exhibit "C"	Due Diligence Phase I Environmental Site Assessment and Subsurface Investigation Report

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

Real property in the City of Industry, County of Los Angeles, State of California, described as follows:

(841 7TH Avenue)
APN 8217-001-901

THE EASTERLY 180 FEET OF THE SOUTHERLY 160 FEET OF LOT 1, OF TRACT 3049, IN THE CITY OF INDUSTRY, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 29, PAGE 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 28,800 SQUARE FEET, 0.66 ACRES, MORE OR LESS.

CONTAINING WITHIN AN EASEMENT FOR STREET AND HIGHWAY PURPOSES PER DOCUMENT NO. 20081703375, DESCRIBED AS FOLLOWS: **BEGINNING** AT THE MOST SOUTHERLY CORNER OF SAID LOT 1; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT, NORTH 64°04'58" WEST, A DISTANCE OF 59.01 FEET TO A POINT OF CUSP ON A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 39.00 FEET AND A CENTRAL ANGLE OF 90°00'50" AND BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 70°54'37" EAST 55.16 FEET; THENCE SOUTHEASTERLY, EASTERLY AND NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 61.27 FEET; THENCE NORTH 25°54'12" EAST, A DISTANCE OF 118.32 FEET TO THE BEGINNING OF A CURVE TANGENT TO SAID LINE; THENCE NORTHEASTERLY A DISTANCE OF 2.67 FEET ALONG THE CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1550.00 FEET AND A CENTRAL ANGLE OF 0°05'55"; THENCE SOUTH 64°04'58" EAST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 25°54'12" WEST, A DISTANCE OF 160.00 FEET TO **THE POINT OF BEGINNING**.

CONTAINING 3,526.50 SQUARE FEET, 0.081 ACRES, MORE OR LESS.

ALSO, EXCEPTING ALL MINERALS AND MINERAL RIGHTS AS RESERVED, IN DEED RECORDED APRIL 12, 1957 AS INSTRUMENT NO. 521 IN BOOK 54199, PAGE 148, OFFICIAL RECORDS OF SAID COUNTY,

AS MORE PARTICULARLY SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

EXHIBIT "B"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: $_____

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY** (the "**Grantor**"), hereby grants to WINEFIELD & ASSOCIATES (the "**Grantee**"), that certain real property described in Exhibit A attached hereto (the "**Site**") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Purchase Agreement [841 7th Avenue, City of Industry, CA] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of June __, 2018, the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. Subject to the provisions of Section 7 of the Agreement, the Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the

Grantee, or any person claiming under or through it, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

2. All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

(a) In deeds: "The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(c) In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

3. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect as provided in the Agreement, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies provided herein or otherwise available, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

4. The covenants contained in Paragraphs 2 and 3 of this Grant Deed shall remain in effect in perpetuity except as otherwise expressly set forth therein.

5. This Grant Deed may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

By:_____
Mark Radecki, Chairman

ATTEST:

_____
Diane Schlichting, Agency Secretary

GRANTEE:

WINEFIELD & ASSOCIATES

By:_____
Matt Winefield, President

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

Exhibit A to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Industry, County of Los Angeles, State of California, described as follows:

(841 7TH Avenue)
APN 8217-001-901

THE EASTERLY 180 FEET OF THE SOUTHERLY 160 FEET OF LOT 1, OF TRACT 3049, IN THE CITY OF INDUSTRY, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 29, PAGE 41 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

CONTAINING 28,800 SQUARE FEET, 0.66 ACRES, MORE OR LESS.

CONTAINING WITHIN AN EASEMENT FOR STREET AND HIGHWAY PURPOSES PER DOCUMENT NO. 20081703375, DESCRIBED AS FOLLOWS: **BEGINNING** AT THE MOST SOUTHERLY CORNER OF SAID LOT 1; THENCE ALONG THE SOUTHWESTERLY LINE OF SAID LOT, NORTH 64°04'58" WEST, A DISTANCE OF 59.01 FEET TO A POINT OF CUSP ON A CURVE CONCAVE TO THE NORTH HAVING A RADIUS OF 39.00 FEET AND A CENTRAL ANGLE OF 90°00'50" AND BEING SUBTENDED BY A CHORD WHICH BEARS NORTH 70°54'37" EAST 55.16 FEET; THENCE SOUTHEASTERLY, EASTERLY AND NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 61.27 FEET; THENCE NORTH 25°54'12" EAST, A DISTANCE OF 118.32 FEET TO THE BEGINNING OF A CURVE TANGENT TO SAID LINE; THENCE NORTHEASTERLY A DISTANCE OF 2.67 FEET ALONG THE CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1550.00 FEET AND A CENTRAL ANGLE OF 0°05'55"; THENCE SOUTH 64°04'58" EAST, A DISTANCE OF 20.00 FEET; THENCE SOUTH 25°54'12" WEST, A DISTANCE OF 160.00 FEET TO **THE POINT OF BEGINNING**.

CONTAINING 3,526.50 SQUARE FEET, 0.081 ACRES, MORE OR LESS.

ALSO, EXCEPTING ALL MINERALS AND MINERAL RIGHTS AS RESERVED, IN DEED RECORDED APRIL 12, 1957 AS INSTRUMENT NO. 521 IN BOOK 54199, PAGE 148, OFFICIAL RECORDS OF SAID COUNTY,

AS MORE PARTICULARLY SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF.

EXHIBIT C

DUE DILIGENCE PHASE I ENVIRONMENTAL SITE ASSESSMENT AND SUBSURFACE INVESTIGATION REPORT

The Industry Urban-Development Agency (the "IUDA") acquired this parcel in 1999 for the construction of the 7th Avenue Grade Separation project.

It was formerly occupied by an ARCO gas station. The IUDA demolished the canopies, the gas pumps and removed the fuel tanks. The IUDA had a report of the underground storage tank removal prepared. While contaminated soil was removed from the site, the report still recommends that further groundwater investigation be performed to assess whether an unauthorized release of petroleum hydrocarbons in the vadose zone have migrated to the water table. Neither the IUDA nor the Successor Agency has conducted that investigation.

Attached to the noted report was a work plan for the Phase II study. In addition, Appendix G to the underground storage report gives additional environmental history summarized by Maddox and Associates.

http://www.cityofindustry.org/home/showdocument?id=4903

SUCCESSOR AGENCY

ITEM NO. 5.3

RESOLUTION NO. SA 2018-15

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE AGENCY AND P.T. ENTERPRISES, LLC FOR 17647 GALE AVENUE, CITY OF INDUSTRY AND NOTICE OF EXEMPTION REGARDING SAME

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos* (*"Matosantos"*), finding Assembly Bill X1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *Matosantos*, all California redevelopment agencies, including the Industry Urban-Development Agency of the City of Industry ("Agency"), were dissolved on February 1, 2012, and successor agencies, including the Agency, were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, on September 22, 2011, the City Council of the City of Industry (the "City") adopted Resolution No. 2011-20 accepting for the City the role of Successor Agency, in accordance with the provisions of Health & Safety Code Section 34177(j); and

WHEREAS, under the provisions of Health & Safety Code Section 34191.4, once the Department of Finance ("Department") issues a finding of completion, successor agencies are provided with additional authority to carry out the wind down process; and

WHEREAS, in accordance with Health & Safety Code Section 34191.5, after the issuance of a finding of completion, successor agencies are required to prepare a Long Range Property Management Plan ("LRPMP"), which must identify all Agency-owned real property, and address the disposition and use of the real properties; and

WHEREAS, the Agency received its Finding of Completion from the Department on April 26, 2013; and

WHEREAS, the LRPMP was submitted to the Department, and was approved by the Department on February 21, 2014; and

WHEREAS, upon approval of the LRPMP by the Department, all Agency property was transferred to the Agency's Community Redevelopment Property Trust Fund; and

WHEREAS, the Agency owns certain property located at 17647 Gale Avenue, City of Industry, California (Property #34); and

WHEREAS, pursuant to the provisions of the LRPMP, the Agency desires to sell the Property at its highest and best use, maximizing its value, in furtherance of the economic goals and as provided for in the City's General Plan; and

WHEREAS, the Agency desires to sell the Property to the P.T. Enterprises, LLC, pursuant to a Purchase and Sale Agreement (the "Agreement"), dated June __, 2018, attached hereto as Exhibit A, and incorporated herein by reference. The purchase price is $6,806,250.00, which represents an amount equal to or greater than the current fair market value of the Property, as determined by an appraisal performed by John P. Laurain, MAI, ASA of R.P. Laurain & Associates, Inc.; and

WHEREAS, the purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA; and

WHEREAS, the Agency has duly considered all terms and conditions of the proposed Agreement and believes that the redevelopment of the Property in accordance therewith is in the best interests of the Agency and the health, safety and welfare of its residents, maximizes value, is consistent with the provisions of the LRPMP, and is consistent with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE SUCCESSOR AGENCY DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. All necessary public hearings and opportunities for public testimony and comment have been conducted in compliance with State law and the Municipal Code of the City of Industry.

SECTION 3. The purchase of the Property is exempt from the California Environmental Quality Act ("CEQA") (Public Resources Code Section 21000 *et seq.*), pursuant to Section 15061(b)(3) of the CEQA Guidelines. Section 15061(b)(3) of the CEQA Guidelines exempts projects covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The sale of the property does not involve any land use entitlements that will allow for development on the property. The sale would not create any public health or safety hazards and would not have a significant impact on the resources or services within the surrounding area, such as water, sanitary services, surrounding roadways and intersections. Any future development at the property will be subject to additional environmental review and independent analysis as required by CEQA.

Based on these findings, the Agency adopts the Notice of Exemption and direct staff to file same as required by law and affirm their respective approval of the purchase and sale of the Property.

SECTION 4. The Agency Board hereby approves the Purchase and Sale Agreement, attached hereto as Exhibit A.

SECTION 5. The Agency hereby directs staff to comply with all applicable statutes regarding the distribution of the sales proceeds to the Los Angeles County Auditor-Controller for distribution to the taxing entities.

SECTION 6. The Executive Director is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

SECTION 7. The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

SECTION 8. Certification. The Agency Secretary shall certify to the passage and adoption of this Resolution and enter it into the respective book of original resolutions.

SECTION 9. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 14th day of June, 2018, by the following vote:

AYES: AGENCY BOARD MEMBERS:

NOES: AGENCY BOARD MEMBERS:

ABSENT: AGENCY BOARD MEMBERS:

ABSTAIN: AGENCY BOARD MEMBERS:

_____

Mark D. Radecki, Chairman

ATTEST:

_____

Diane M. Schlichting, Agency Secretary

PURCHASE AGREEMENT
[17647 GALE AVENUE]

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
a public body, corporate and politic
"**Agency**"

P.T. Enterprises, LLC
a California limited liability company
"**Developer**"

_____, 2018

TABLE OF CONTENTS

TO BE REVISED

		Page
ARTICLE 1	DEFINITIONS	1
1.1	Definitions	1
ARTICLE 2	PURCHASE AND SALE OF THE PROPERTY	4
2.1	Purchase and Sale	4
2.2	Payment of Purchase Price	4
2.3	Escrow	5
2.4	Conditions to Close of Escrow	6
2.5	Condition of Title; Title Insurance	6
2.6	Escrow and Title Charges; Prorations	7
2.7	Due Diligence Period; Access	7
2.8	Condition of the Property	9
2.9	Environmental	9
2.10	Escrow Holder	10
ARTICLE 3	DEVELOPMENT OF THE PROPERTY	11
3.1	Scope of Development	11
3.2	Cost of Construction	11
3.3	Construction Schedule	11
3.4	Rights of Access	11
3.5	Local, State and Federal Laws	12
3.6	Nondiscrimination During Construction	12
3.7	Certificate of Completion	12
ARTICLE 4	LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS	13
4.1	Limitation As To Transfer of the Property and Assignment of Agreement	13

TABLE OF CONTENTS (cont.)

		Page
4.2	Security Financing; Right of Holders	13
ARTICLE 5	USE OF THE PROPERTY	14
5.1	Use	14
5.2	Maintenance of the Property	14
5.3	Obligation to Refrain from Discrimination	15
5.4	Form of Nondiscrimination and Nonsegregation Clauses	15
5.5	Restrictive Covenant	16
5.6	Effect and Duration of Covenants	16
5.7	City's Purchase for Failure to Complete Construction	17
ARTICLE 6	EVENTS OF DEFAULT, REMEDIES AND TERMINATION	18
6.1	Developer Events of Defaults	18
6.2	Agency Events of Default	18
6.3	Remedies in the Event of Default	19
6.4	No Personal Liability	20
6.5	Legal Actions	20
6.6	Rights and Remedies are Cumulative	20
6.7	Inaction Not a Waiver of Default	19
ARTICLE 7	GENERAL PROVISIONS	19
7.1	Insurance	19
7.2	Indemnity	22
7.3	Notices	22
7.4	Construction	23
7.5	Developer's Warranties	23
7.6	Interpretation	24

TABLE OF CONTENTS (cont.)

Page

7.7 Time of the Essence 24

7.8 Attorneys' Fees 24

7.9 Enforced Delay: Extension of Times of Performance 24

7.10 Approvals by the Agency and the Developer 24

7.11 Developer's Private Undertaking 24

7.12 Entire Agreement, Waivers and Amendments 24

7.13 Counterparts 25

7.14 Severability 25

7.15 Survival 25

7.16 Representations of Agency 25

7.17 Developer's Broker(s) 26

7.18 No Third Party Beneficiaries other than City 26

PURCHASE AGREEMENT
[17647 Gale Avenue]

THIS PURCHASE AGREEMENT [17647 Gale Avenue] (this "**Agreement**"), dated as of _____, 2018 (the "**Effective Date**") is entered into by and between the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**, a public body, corporate and politic (the "**Agency**"), and **P.T. Enterprises, LLC,** a California limited liability company (the "**Developer**"). The Agency and the Developer are hereinafter sometimes individually referred to as a "**Party**" and collectively referred to as the "**Parties.**"

RECITALS

This Agreement is entered into with reference to the following facts:

A. The Agency owns the fee interest in that certain real property located at 17647 Gale Avenue in the City of Industry, County of Los Angeles, State of California, as more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (such real property is referred to herein as the "**Property**"). The Developer wishes to acquire fee title to the Property from the Agency to enable the Developer to construct the Improvements (as such term is defined in Section 1.1.24) on the Property (the "**Project**").

B. Development of the Project will assist in the elimination of blight, provide jobs, and substantially improve the economic and physical conditions in the City, and is in the best interests of the Agency and City, and the health, safety and welfare of the residents and taxpayers of the City.

C. A material inducement to the Agency to enter into this Agreement is the agreement by the Developer to rehabilitate the Project within a limited period of time, and the Agency would be unwilling to enter into this Agreement in the absence of an enforceable commitment by the Developer to develop the Project within such period of time.

NOW, THEREFORE, in reliance upon the foregoing Recitals, in consideration of the mutual covenants in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:

1.1.1 "Agency" means the Successor Agency to the Industry Urban-Development Agency. The principal office of the Agency is located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744.

1.1.2 "Agency Event of Default" is defined in Section 6.2.

1.1.3 "Agreement" means this Purchase Agreement.

1.1.4 "Approved Exceptions" is defined in Section 2.5.1.

1.1.5 "Breach Notice" is defined in Section 5.7.

1.1.6 "Certificate of Completion" means a certificate described in Section 3.7, to be provided by the Agency to the Developer upon satisfactory completion of construction of the Improvements.

1.1.7 "Certificate of Occupancy" means a final certificate of occupancy issued by the County of Los Angeles for all of the Improvements.

1.1.8 "City" means the City of Industry, a municipal corporation, exercising governmental functions and powers, and organized and existing under the laws of the State of California. The principal office of the City is located at 15625 East Stafford Street, City of Industry, California 91744.

1.1.9 "Close of Escrow" and "Closing" are defined in Section 2.3.2.

1.1.10 "Commencement Date" is defined in Section 3.1.1.

1.1.11 "Default" is defined in Section 6.2.

1.1.12 "Deposit" is defined in Section 2.2.1.

1.1.13 "Developer" means P.T. Enterprises, LLC, a California limited liability company. The principal office of the Developer for purposes of this Agreement is 9136 East Firestone Blvd., Downey, CA 92041-5136.

1.1.14 "Disposition Costs" is defined in Section 2.1.

1.1.15 "Developer Event of Default" is defined in Section 6.1

1.1.16 "Due Diligence Period" is defined in Section 2.7

1.1.17 "Effective Date" means the date of final approval of this Agreement by the Oversight Board to the Successor Agency to the Industry Urban-Development Agency.

1.1.18 "Escrow" is defined in Section 2.3.1.

1.1.19 "Escrow Holder" means First American Title Insurance Company. The principal office of the Escrow Holder for purposes of this Agreement is 18500 Von Karman Avenue, Suite 600, Irvine, California 92612, Attention: Patty Beverly, Escrow Officer, Telephone: (949) 885-2465, Fax: (877) 372-0260, Email: pbeverly@firstam.com.

1.1.20 "Governmental Requirements" is defined in Section 2.9.3.

1.1.21 "Grant Deed" is defined in Section 2.5.2.

1.1.22 "Hazardous Materials" means any chemical, material or substance now or hereafter defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "restricted hazardous waste," "toxic

substances," "pollutant or contaminant," "imminently hazardous chemical substance or mixture," "hazardous air pollutant," "toxic pollutant," or words of similar import under any local, state or federal law or under the regulations adopted or publications promulgated pursuant thereto applicable to the Property, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601, et seq. ("**CERCLA**"); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1801, et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251, et seq.; and the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901, et seq. The term "**Hazardous Materials**" shall also include any of the following: any and all toxic or hazardous substances, materials or wastes listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and in any and all amendments thereto in effect as of the date of the close of any escrow; oil, petroleum, petroleum products (including, without limitation, crude oil or any fraction thereof), natural gas, natural gas liquids, liquefied natural gas or synthetic gas usable for fuel, not otherwise designated as a hazardous substance under CERCLA; any substance which is toxic, explosive, corrosive, reactive, flammable, infectious or radioactive (including any source, special nuclear or by-product material as defined at 42 U.S.C. § 2012, et seq.), carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority; asbestos in any form; urea formaldehyde foam insulation; transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyl's; radon gas; or any other chemical, material or substance (i) which poses a hazard to the Property, to adjacent properties, or to persons on or about the Property, (ii) which causes the Property to be in violation of any of the aforementioned laws or regulations, or (iii) the presence of which on or in the Property requires investigation, reporting or remediation under any such laws or regulations.

1.1.23 "Holder" is defined in Section 4.2.2.

1.1.24 "Improvements" means the improvements described in Section 3.1.1.

1.1.25 "Outside Date" is defined in Section 2.3.2.

1.1.26 "Oversight Board" means the Oversight Board of the Successor Agency to the Industry Urban-Development Agency.

1.1.27 "Phase I" means the improvements described in Exhibit "F".

1.1.28 "Phase I Completion Date" is defined in Section 3.1.1.

1.1.29 "Phase II" means the improvements described in Exhibit "F".

1.1.30 "Phase II Completion Date" is defined in Section 3.1.1.

1.1.31 "Plans and Specifications" means the plans and specifications approved by the City for construction of the Improvements.

1.1.32 "Project" is defined as a new car dealership.

1.1.33 "Property" is defined in Recital A.

1.1.34 "Purchase Notice" is defined in Section 5.7.

1.1.35 "Purchase Price" is defined in Section 2.1.

1.1.36 "Released Parties" is defined in Section 2.8.

1.1.37 "Right of Entry and Access Agreement" is defined in Section 2.7.

1.1.38 "Schedule of Performance" means the schedule attached hereto as Exhibit "B" and incorporated herein by this reference.

1.1.39 "Title Company" is defined in Section 2.5.3.

1.1.40 "Title Policy" is defined in Section 2.5.3.

1.1.41 "Title Report" is defined in Section 2.5.1.

1.1.42 "Transaction Costs" means all costs incurred by either party in entering into this transaction and closing Escrow, including but not limited to escrow fees and costs, attorney's fees, staff time, appraisal costs, and costs of financial advisors and other consultants.

ARTICLE 2
PURCHASE AND SALE OF THE PROPERTY

2.1 Purchase and Sale. The Agency agrees to sell the Property to the Developer, and the Developer agrees to purchase the Property from the Agency, for the sum of Six Million Eight Hundred Six Thousand Two-Hundred Fifty and 00/100 Dollars ($6,806,250.00) (the "**Purchase Price**"). In addition, Developer shall reimburse the Agency for the Agency's costs of obtaining an appraisal of the Property and the Agency's legal costs in connection with this Agreement and the disposition of the Property under this Agreement (the "**Disposition Costs**") and will be paid by Developer to Agency at the Closing through the Escrow (as hereinafter defined).

2.2 Payment of Purchase Price. The Purchase Price shall be payable by Developer as follows:

2.2.1 Deposit. On or about May 29, 2018, Developer provided the Agency a refundable deposit amount of One Hundred Thousand Dollars ($100,000.00). Within ten (10) calendar days following the opening of Escrow, Developer shall deposit with Escrow Holder a refundable sum of Five Hundred Eighty Thousand Six Hundred Twenty-Five and 00/100 Dollars ($580,625.00), all in the form of certified or bank cashier's checks made payable to Escrow Holder or by confirmed wire transfers of funds (collectively, the "**Deposit**"). The Deposit shall be invested by Escrow Holder in an interest-bearing account acceptable to Developer and Agency with all interest accruing thereon to be credited to the Purchase Price upon the Close of Escrow. Except as otherwise provided herein, the Deposit shall be applicable in full towards the Purchase Price upon Closing.

2.2.2 Closing Funds. Prior to the Close of Escrow, Developer shall deposit or cause to be deposited with Escrow Holder, by a certified or bank cashier's check made payable to Escrow Holder or by a confirmed federal wire transfer of funds, the balance of the Purchase Price,

plus the Disposition Costs, plus an amount equal to all other costs, expense and prorations payable by Developer hereunder.

2.3 Escrow.

2.3.1 Opening of Escrow. Within five (5) business days after the parties' full execution of this Agreement (the "**opening of Escrow**"), the Developer and the Agency shall open an escrow (the "**Escrow**") with the Escrow Holder for the transfer of the Property to the Developer. The parties shall deposit with the Escrow Holder a fully executed duplicate original of this Agreement, which shall serve as the escrow instructions (which may be supplemented in writing by mutual agreement of the parties) for the Escrow. The Escrow Holder is authorized to act under this Agreement, and to carry out its duties as the Escrow Holder hereunder.

2.3.2 Close of Escrow. "**Close of Escrow**" or "**Closing**" means the date Escrow Holder causes the Grant Deed (as hereinafter defined) to be recorded in the Official Records of the County of Los Angeles and delivers the Purchase Price and Disposition Costs (less any costs, expenses and prorations payable by the Agency) to the Agency. Possession of the Property shall be delivered to the Developer on the Close of Escrow. Close of Escrow shall occur within 90 days following the opening of Escrow (the "**Outside Date**") or this Agreement shall automatically terminate; provided, however, the Outside Date may be extended upon written consent of the Developer and the

2.3.3 Executive Director of the Agency, which consent may be given or withheld in the exercise of their sole discretion. If the Closing does not occur on or before the Outside Date due to a default by either party, then the defaulting party shall pay all Escrow cancellation fees (and if the defaulting party is the Developer, then the Agency shall be entitled to the Deposit under Section 6.3.1). If the Closing does not occur due to a termination by Developer under Section 2.7, then Developer shall pay all Escrow cancellation fees, and the Deposit shall be retained by the Agency, and all Disposition Costs to date shall be paid by Developer to Agency.

2.3.4 Delivery of Closing Documents.

(a) The Agency and Developer agree to deliver to Escrow Holder, at least two (2) days prior to the Close of Escrow, the following instruments and documents, the delivery of each of which shall be a condition precedent to the Close of Escrow:

(i) The Grant Deed, duly executed and acknowledged by the Agency, conveying a fee simple interest in the Property to Developer;

(ii) The Agency's affidavit as contemplated by California Revenue and Taxation Code Section 18662;

(iii) A Certification of Non-Foreign Status signed by Agency in accordance with Internal Revenue Code Section 1445; and

(iv) Such proof of the Agency's and Developer's authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Title Policy.

The Agency and the Developer further agree to execute such reasonable and customary additional documents, and such additional escrow instructions, as may be reasonably required to close the transaction which is the subject of this Agreement pursuant to the terms hereof.

2.4 Conditions to Close of Escrow. The obligations of the Agency and Developer to close the transaction which is the subject of this Agreement shall be subject to the satisfaction, or waiver in writing by the party benefited thereby, of each of the following conditions:

2.4.1 For the benefit of the Agency, the Developer shall have deposited the balance of the Purchase Price, together with such funds as are necessary to pay for costs, expenses and prorations payable by Developer hereunder (including the Agency's appraisal costs).

2.4.2 For the benefit of the Agency, all actions and deliveries to be undertaken or made by Developer on or prior to the Close of Escrow as set forth in the Schedule of Performance shall have occurred, as reasonably determined by the Agency.

2.4.3 For the benefit of the Developer, all actions and deliveries to be undertaken or made by the Agency on or prior to the Close of Escrow shall have occurred, as reasonably determined by the Developer.

2.4.4 For the benefit of the Agency, all Agency approvals required by the Schedule of Performance to be obtained prior to the Close of Escrow shall have been so obtained.

2.4.5 For the benefit of the Agency, the Developer shall have executed and delivered to Escrow Holder all documents and funds required to be delivered to Escrow Holder under the terms of this Agreement and the Developer shall otherwise have satisfactorily complied with its obligations hereunder.

2.4.6 For the benefit of the Developer, the Agency shall have executed and delivered to Escrow Holder all documents and funds required to be delivered to Escrow Holder under the terms of this Agreement and the Agency shall otherwise have satisfactorily complied with its obligations hereunder.

2.4.7 For the benefit of the Agency, the representations and warranties of the Developer contained in this Agreement shall be true and correct in all material respects as of the Close of Escrow.

2.4.8 For the benefit of the Developer, the representations and warranties of the Agency contained in this Agreement shall be true and correct in all material respects as of the Close of Escrow.

2.4.9 For the benefit of the Developer, Title Company shall be irrevocably committed to issuing in favor of the Developer the Title Policy, in form and substance, and with endorsements reasonably acceptable to the Developer, as provided in Section 2.5.3.

2.4.10 For the benefit of the Agency, Developer shall, concurrently with the Close of Escrow, grant to Agency an easement for street and highway purposes, for the property set forth in "Exhibit " ", attached hereto and incorporated herein by reference, and shall execute the Easement Grant Deed, attached hereto as "Exhibit " ", and incorporated herein by reference.

If all the foregoing conditions have not been met to the benefitted party's sole satisfaction or expressly waived in writing by the benefitted party on or before the respective dates set forth therein, or if no date is set forth therein on the Outside Date, then this Agreement shall, at the option of the benefitted party, become null and void, in which event, except as expressly set forth in this Agreement, neither party shall have any further rights, duties or obligations hereunder.

2.5 Condition of Title; Title Insurance.

2.5.1 Developer acknowledges receipt of a preliminary title report [A1]prepared by Escrow Holder for the Property (**"Title Report"**). Developer shall acquire the Property subject to all exceptions described in the Title Report, together with all non-delinquent real property taxes and assessments to be assessed against the Property ("**Approved Exceptions**"). At the Closing, Seller shall deliver title to the Property to Buyer subject only to the Approved Exceptions.

2.5.2 At the Close of Escrow, the Developer shall receive title to the Property by grant deed substantially in the form attached hereto as Exhibit "C" and incorporated herein by this reference (the "**Grant Deed**").

2.5.3 At Closing, the Developer shall receive a CLTA Owner's Coverage Policy of Title Insurance (the "**Title Policy**"), issued by First American Title Insurance Company ("**Title Company**") in the amount of the Purchase Price, insuring title to the Property in the name of Developer, subject only to the Approved Exceptions and standard printed exclusions from coverage of a CLTA standard title policy. The Developer may obtain an extended coverage policy of title insurance at its own costs.

2.6 Escrow and Title Charges; Prorations.

2.6.1 The Agency shall pay all documentary transfer taxes and the coverage premiums on the standard CLTA Title Policy. Developer shall pay the costs of any title insurance premiums for any coverage over and above the standard policy coverage on the CLTA Title Policy to be paid by the Agency. In addition, the Developer and the Agency shall each pay one-half of any and all other usual and customary costs, expense and charges relating to the escrow and conveyance of title to the Property, including without limitation, recording fees, document preparation charges and escrow fees. Each party shall be responsible for its own Transaction Costs, with the exception of the Disposition Costs set forth in Section 2.1.

2.6.2 All non-delinquent and current installments of real estate and personal property taxes and any other governmental charges, regular assessments, or impositions against the Property on the basis of the current fiscal year or calendar year shall be prorated as of the Close of Escrow based on the actual current tax bill. If the Close of Escrow shall occur before the tax rate is fixed, the apportionment of taxes on the Close of Escrow shall be based on the tax rate for the next preceding year applied to the latest assessed valuation after the tax rate is fixed, which assessed valuation shall be based on the Property's assessed value prior to the Close of Escrow and the Agency and Developer shall, when the tax rate is fixed, make any necessary adjustment. All prorations shall be determined on the basis of a 365-day year. The provisions of this Section 2.6.2 shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

2.6.3 Any Escrow cancellation charges shall be allocated and paid as described in Section 2.3.2 above.

2.7 Due Diligence Period; Access. During the period (the "**Due Diligence Period**") commencing on the Effective Date and ending at 5:00 p.m. on the date which is forty-five (45) days after the Effective Date, the Developer may inspect the Property as necessary to (i) approve all zoning and land use matters relating to the Property, (ii) approve the physical condition of the Property, and (iii) satisfy any due diligence requirements of the Developer's lender, if any. Subject to the terms of the Right of Entry and Access Agreement in the form of which is attached hereto as Exhibit "D" (the "**Right of Entry and Access Agreement**"), the Developer and its agents shall have the right to enter upon the Property during the Due Diligence Period to make inspections and other examinations of the Property and the improvements thereon, including without limitation, the right to perform surveys, soil and geological tests of the Property and the right to perform environmental site assessments and studies of the Property. Prior to the Developer's entry upon the Property, the parties shall execute the Right of Entry Agreement. The City shall reasonably cooperate with the Developer in its conduct of the due diligence review during the Due Diligence Period. In the event the Developer does not approve of the condition of the Property by written notice given to the City prior to the expiration of the Due Diligence Period, this Agreement shall terminate, the Deposit shall be returned to Developer (including any interest earned thereon) and, except as otherwise expressly stated in this Agreement, neither party shall have any further rights or obligations to the other party.

2.8 Condition of the Property. The Property shall be conveyed from the City to the Developer on an "AS IS" condition and basis with all faults and the Developer agrees that the City has no obligation to make modifications, replacements or improvements thereto. Except as expressly and specifically provided in this Agreement, the Developer and anyone claiming by, through or under the Developer hereby waives its right to recover from and fully and irrevocably releases the City, and its elected and appointed officials, officers, directors, employees, representatives, agents, advisors, servants, attorneys, successors and assigns, and all persons, firms, corporations and organizations acting on the City's behalf (collectively, the "**Released Parties**") from any and all claims, responsibility and/or liability that the Developer may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the matters pertaining to the Property described in this Section 2.8. This release includes claims of which the Developer is presently unaware or which the Developer does not presently suspect to exist which, if known by the Developer, would materially affect the Developer's release of the Released Parties. If the Property is not in a condition suitable for the intended use or uses, then it is the sole responsibility and obligation of the Developer to take such action as may be necessary to place the Property in a condition suitable for development of the Project thereon. Except as otherwise expressly and specifically provided in this Agreement and without limiting the generality of the foregoing, THE CITY MAKES NO REPRESENTATION OR WARRANTY AS TO (i) THE VALUE OF THE PROPERTY; (ii) THE INCOME TO BE DERIVED FROM THE PROPERTY; (iii) THE HABITABILITY, MARKETABILITY, PROFITABILITY, MERCHANTABILITY OR FITNESS FOR PARTICULAR USE OF THE PROPERTY; (iv) THE MANNER, QUALITY, STATE OF REPAIR OR CONDITION OF THE PROPERTY; (v) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (vi) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION OR POLLUTION

LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS; (vii) THE FACT THAT ALL OR A PORTION OF THE PROPERTY MAY BE LOCATED ON OR NEAR AN EARTHQUAKE FAULT LINE; AND (viii) WITH RESPECT TO ANY OTHER MATTER, THE DEVELOPER FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AND REVIEW INFORMATION AND DOCUMENTATION AFFECTING THE PROPERTY, THE DEVELOPER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND REVIEW OF SUCH INFORMATION AND DOCUMENTATION AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE CITY.

THE DEVELOPER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

BY INITIALING BELOW, DEVELOPER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES.

Developer's Initials

_____

The waivers and releases by the Developer herein contained shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

2.9 Environmental.

2.9.1 Condition of the Property. California Health & Safety Code section 25359.7 requires owners of non-residential real property who know, or have reasonable cause to believe, that any release of Hazardous Substances has come to be located on or beneath the real property to provide written notice of same to the buyer of real property. The Agency hereby discloses the information contained in the list of environmental reports, attached hereto as Exhibit "E" and incorporated herein by reference.

The Parties acknowledge that the Agency will not be conducting a public records search of any regulatory agency files regarding the environmental condition of the Property. By execution of this Agreement, Developer (i) acknowledges its receipt of the foregoing notice given pursuant to Cal. Health & Safety Code section 25359.7; (ii) acknowledges that it is taking the Property as-is, subject to all information contained in the environmental reports listed in Exhibit "E"; and (iii) waives any and all rights Developer may have to assert that the Agency has not complied with the requirements of Health & Safety Code section 25359.7.

2.9.2 Investigation of Property. The Developer shall have the right, at its sole cost and expense, to engage its own environmental consultant to make such investigations as Developer deems necessary, during the Due Diligence Period. Developer understands that regardless of the delivery by the City to the Developer of any materials, including, without limitation, third party reports, Developer will rely entirely on Developer's own experts and consultants in proceeding with this transaction.

2.9.3 Remediation of the Property. In the event that the Developer's investigations show that Hazardous Substances are present on, or under the Property at levels that are inappropriate for the anticipated use, then prior to the expiration of the Due Diligence Period, Developer may terminate this Agreement and thereupon Developer shall have no further obligations or liabilities hereunder and the City shall refund the balance of the Deposit to Developer or, in the alternative, Developer may elect to remediate the Property on its own, at its sole cost and expense, after Close of Escrow. Effective at the Close of Escrow and in furtherance of the indemnity obligations of Developer pursuant to Section 7.2 of this Agreement, to the extent permitted by law, the City hereby assigns and transfers to Developer any and all claims, causes of action and rights of recovery against any person or entity for any release, discharge, migration or deposit of Hazardous Substances on, under or about the Property.

Any remedial work must be performed in a timely and safe manner and in accordance with applicable Governmental Requirements for the use of the Property. For purposes of this Agreement, "**Governmental Requirements**" shall mean all laws, ordinances, statutes, codes, rules, regulations, orders, directives and decrees of the United States, the state, the county, the City, or any other political subdivision in which the Property is located, and of any political subdivision, agency or instrumentality exercising jurisdiction over the City, the Developer or the Property.

2.10 Escrow Holder.

2.10.1 Escrow Holder is authorized and instructed to:

(a) Pay and charge the Developer for any fees, charges and costs payable by the Developer under this Article. Before such payments are made, the Escrow Holder shall notify the Agency and the Developer of the fees, charges, and costs necessary to close the Escrow;

(b) Pay and charge the Agency for any fees, charges and costs payable by the Agency under this Article. Before such payments are made, the Escrow Holder shall notify the Agency and the Developer of the fees, charges, and costs necessary to close the Escrow;

(c) Disburse funds and deliver the Grant Deed and other documents to the parties entitled thereto when the conditions of the Escrow and this Agreement have been fulfilled by the Agency and the Developer; and

(d) Record the Grant Deed and any other instruments delivered through the Escrow, if necessary or proper, to vest title in the Developer in accordance with the terms and provisions of this Agreement.

2.10.2 Any amendment of these escrow instructions shall be in writing and signed by both the Agency and the Developer.

2.10.3 All communications from the Escrow Holder to the Agency or the Developer shall be directed to the addresses and in the manner established in Section 7.3 of this Agreement for notices, demands and communications between the Agency and the Developer.

2.10.4 The responsibility of the Escrow Holder under this Agreement is limited to performance of the obligations imposed upon it under this Article, any amendments hereto, and any supplemental escrow instructions delivered to the Escrow Holder that do not materially amend or modify the express provisions of these escrow instructions.

ARTICLE 3
DEVELOPMENT OF THE PROPERTY

3.1 Scope of Development.

3.1.1 The "**Improvements**" to be completed by Developer shall be comprised of a new car dealership (Jaguar and Land Rover) with a showroom and repair facility of approximately 42,000 square feet and as allowed under applicable law. The Developer shall submit development plans for the Improvements within 12 months of the opening of Escrow. Subject to force majeure delays as provided in Section 7.9 below, the Project shall be completed no later than twenty-four (24) months after the Approval Date ("**Completion Date**"). The "**Approval Date**" shall be the date all approvals are issued by all governmental departments, agencies or other units with jurisdiction over the Project for the commencement of the construction of the Improvements. To the extent of any inconsistency between the Schedule of Performance and this Section 3.1.1, this Section 3.1.1 shall control.

3.1.2 The Developer shall submit all appropriate Plans and Specifications pertaining to the Improvements to the City, and shall construct the Improvements, and all associated public infrastructure improvements required by the City, pursuant to the City's conditions of approval, if any, and all parking areas and landscaping, in accordance with and within the limitations established therefor in this Agreement and as required by the City. The Developer shall also comply with any and all applicable federal, state and local laws, rules and regulations, and any applicable mitigation measures adopted pursuant to the California Environmental Quality Act. The Agency shall cooperate in all reasonable respects, at no out-of-pocket cost to the Agency, with the Developer's pursuit and acquisition of permits and approvals for the Project from all applicable governmental and quasi-governmental agencies and public utilities.

3.2 Cost of Construction. The cost of constructing all Improvements and all public infrastructure improvements relating to the Project or required by the City or Agency in connection with the Project, if any, shall be borne by the Developer.

3.3 Construction Schedule. Subject to force majeure delays as provided in Section 7.9, the Developer shall begin and complete all construction within the times specified in the Schedule of Performance.

3.4 Rights of Access. In addition to those rights of access to and across the Property to which the Agency and the City may be entitled by law, members of the staffs of the Agency and the

City shall have a reasonable right of access to the Property, without charge or fee, at any reasonable time, to inspect the work being performed at the Property.

3.5 Local, State and Federal Laws. The Developer shall carry out the construction of the Improvements in conformity with all applicable laws, including all applicable federal, state and local prevailing wage laws, occupation, safety and health laws, rules, regulations and standards.

3.6 Nondiscrimination During Construction. The Developer, for itself and its successors and assigns, agrees that it shall not discriminate against any employee or applicant for employment because of age, sex, marital status, race, handicap, color, religion, creed, ancestry, or national origin in the construction of the Improvements.

3.7 Certificate of Completion.

3.7.1 After (i) completion of construction by the Developer of all of the Improvements, (ii) the Developer has obtained a Certificate of Occupancy , and (iii) the Developer has caused a notice of completion (as described in California Civil Code Section 3093) with respect to the Improvements to be recorded in the Official Records of Los Angeles County, California, the Agency shall, following written request by the Developer, furnish the Developer with a Certificate of Completion for the Improvements within ten (10) business days of such request. The Certificate of Completion shall be in the form attached hereto as Exhibit "D" and incorporated herein by this reference. The Agency shall not unreasonably withhold, condition or delay the issuance of the Certificate of Completion. The Certificate of Completion shall be, and shall so state that it is, a conclusive determination of satisfactory completion by the Developer of all of its construction obligations under this Agreement, as to the Improvements.

3.7.2 If the Agency refuses or fails within ten (10) business days after receipt of a written request from the Developer to issue a Certificate of Completion, the Agency shall provide the Developer with a written statement of the reasons the Agency refused or failed to furnish a Certificate of Completion. The statement shall also specify the actions the Developer must take to obtain a Certificate of Completion for the Improvements. If the reason for such refusal is confined to the immediate availability of specific items or material for landscaping or any other non-structural matters, and the costs of completion does not exceed Two Hundred Fifty Thousand Dollars ($250,000.00), the Agency shall issue its Certificate of Completion upon the Developer's depositing with the Agency cash or an irrevocable standby letter of credit issued by a bank or other financial institution acceptable to the Agency in an amount equal to the fair value of the work not yet completed as determined by the Agency. The determination of fair value shall be made by the Agency in the exercise of its reasonable judgment.

3.7.3 The Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, trust deed or other security instrument. Such Certificate of Completion shall not be construed as a notice of completion as described in California Civil Code Section 3093.

ARTICLE 4
LIMITATIONS ON TRANSFERS AND SECURITY INTERESTS

4.1 Limitation As To Transfer of the Property and Assignment of Agreement. Prior to the Agency's issuance of the Certificate of Completion, the Developer shall not transfer its rights and obligations, in whole or in part, under this Agreement, or sell, assign, transfer, encumber, pledge or lease the Property, nor cause or suffer a change of more than 49% of the Ownership interests in Developer, directly or indirectly, in one or a series of transactions, without the Agency's prior written consent, which consent shall not be unreasonably withheld or delayed. The Developer acknowledges that the identity of the Developer is of particular concern to the Agency, and it is because of the Developer's identity that the Agency has entered into this Agreement with the Developer. No voluntary or involuntary successor in interest of the Developer shall acquire any rights or powers under this Agreement in violation of the terms hereof. Notwithstanding any provision contained herein to the contrary, this prohibition shall not be deemed to prevent the granting of, easements or permits to facilitate the development of the Project, or any mortgage or deed of trust permitted by this Agreement. Upon the Agency's issuance of a Certificate of Completion, the Developer may transfer the Property to a transferee without restriction so long as the transferee agrees to all of the applicable covenants and conditions set forth in Article 5 of this Agreement.

Upon providing ten (10) days prior written notice to Developer, the Agency may assign its rights and obligations, in whole or in part, under this Agreement to the City without the prior consent of the Developer.

4.2 Security Financing; Right of Holders.

4.2.1 No Encumbrances Except Mortgages, Deeds of Trust, Conveyances or Other Conveyance for Financing For Development.

(a) Notwithstanding Section 4.1 or any other provision herein to the contrary, only mortgages, deeds of trust, sales and leasebacks, or any other form of encumbrance, conveyance, security interest or assignment required for any reasonable method of construction and permanent financing are permitted prior to the issuance of a Certificate of Completion for the Property, but only for the purpose of securing loans of funds to be used for the purchase of the Property or financing the direct and indirect costs of the development of the Project (including reasonable and customary developer fees, loan fees and costs, and other normal and customary project costs), and each such loan secured by the Property shall expressly allow for its prepayment or assumption (upon payment of a market standard prepayment or assumption fee) by and at the option of the City upon the City's purchase of the Property provided in Section 5.7.

(b) The words "mortgage" and "deed of trust" as used herein include all other appropriate modes of financing commonly used in real estate acquisition, construction and land development. Any reference herein to the "holder" of a mortgage or deed of trust shall be deemed also to refer to a lessor under a sale and leaseback.

4.2.2 Notice of Default to Mortgage, Deed of Trust or Other Security Interest Holders; Right to Cure. Whenever the Agency shall deliver a notice or demand to the Developer with respect to any Default by the Developer in completion of development of the Project or

otherwise, the Agency shall at the same time deliver a copy of such notice or demand to each holder of record of any first mortgage, deed of trust or other security interest authorized by this Agreement who has previously made a written request to the Agency for special notice hereunder (a "**Holder**"). No notice of Default to the Developer shall be effective against any such Holder unless given to such Holder as aforesaid. Such Holder shall (insofar as the rights of the Agency are concerned) have the right, at such Holder's option, within sixty (60) days after receipt of the notice, to cure or remedy any such Default and to add the cost thereof to the security interest debt and the lien of its security interest; provided, however, that if longer than sixty (60) days is required to cure such Default, such longer period shall be granted to Holder, provided that Holder diligently pursues such cure during such longer period. If such Default shall be a default which can only be remedied or cured by such Holder upon obtaining possession of the Property, such Holder shall seek to obtain possession of the Property with diligence and continuity through a receiver or otherwise, and shall remedy or cure such Default within a reasonable period of time as necessary to remedy or cure such Default of the Developer. If such Default shall be a default as to or by Developer which cannot be cured, Agency shall not seek to enforce the same against Holder and Holder shall not be subject thereto. Agency agrees to provide any actual or potential mortgagee, beneficiary or lender of funds for the construction and permanent financing of the Project (collectively, "**Lender**") such additional assurances and documents as are reasonably required by such Lender to induce Lender to make such loan, including, without limitation, subordination of Agency's purchase rights under Section 5.7 to such Lender's security instrument.

4.2.3 Noninterference with Holders. The provisions of this Agreement do not limit the right of Holders to foreclose or otherwise enforce any mortgage, deed of trust, or other security instrument encumbering the Property and the improvements thereon, or the right of Holders to pursue any remedies for the enforcement of any pledge or lien encumbering the Property; provided, however, that in the event of a foreclosure sale under any such mortgage, deed of trust or other lien or encumbrance, or sale pursuant to any power of sale contained in any such mortgage or deed of trust, the purchaser or purchasers and their successors and assigns, and the Property, shall be, and shall continue to be, subject to all of the conditions, restrictions and covenants of this Agreement and all documents and instruments recorded pursuant hereto.

ARTICLE 5
USE OF THE PROPERTY

5.1 Use. The Developer covenants and agrees for itself, and its successors and its assigns, that the Developer, such successors, and such assignees shall use the Property, and every part thereof, only for the Improvements thereon, and thereafter for any use permitted by applicable laws. Notwithstanding the foregoing, if and when the Developer conveys the Property to a third party after completion of the Improvements thereon or assigns the Agreement in accordance with this Agreement, the Developer shall be relieved of any further responsibility under this Section 5.1 as to the Property so conveyed.

5.2 Maintenance of the Property. After completion of the Project, Developer shall maintain the Property and the Project (including landscaping) in a commercially reasonable condition and repair to the extent practicable and in accordance with industry health and safety standards and the City's municipal code. Notwithstanding the foregoing, if and when the Developer conveys the Property to a third party after completion of the Improvements thereon in accordance

with the Agreement, the Developer shall be relieved of any further responsibility under this Section 5.2 as to the Property so conveyed.

5.3 Obligation to Refrain from Discrimination. The Developer covenants and agrees for itself, its successors and assigns, and for every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, age, handicap, race, color, religion, creed, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, and the Developer (itself or any person claiming under or through the Developer) shall not establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Property or any portion thereof. Notwithstanding the foregoing, if and when the Developer conveys the Property to a third party after completion of the Improvements thereon in accordance with the Agreement, the Developer shall be relieved of any further responsibility under this Section 5.3 as to the Property so conveyed.

5.4 Form of Nondiscrimination and Nonsegregation Clauses. Pursuant to California Health and Safety Code Section 33436, all deeds, leases or contracts for sale shall contain the following nondiscrimination or nonsegregation clauses:

5.4.1 In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

5.4.2 In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor

shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

5.4.3 In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

5.5 Restrictive Covenant. In order to insure the Developer's compliance with the covenants set forth in Sections 5.1, 5.2, 5.3, and 5.4 hereof, such covenants shall be set forth in the Grant Deed. Such covenants shall run with the Property for the benefit of the Agency and the Agency shall have the right to assign all of its rights and benefits therein to the City.

5.6 Effect and Duration of Covenants. The following covenants shall be binding upon the Property and Developer and its successors and assigns and shall remain in effect for the following periods, and each of which shall be set forth with particularity in any document of transfer or conveyance by the Developer:

(1) The non-discrimination and non-segregation requirements set forth in Sections 5.1, 5.3 and 5.4 shall remain in effect in perpetuity;

(2) The maintenance requirements set forth in Section 5.2 shall remain in effect for the period described therein, and;

(3) Easements to the Agency, City or other public agencies for utilities existing as of the execution of this Agreement, which shall remain in effect according to their terms.

5.7 City's Purchase for Failure to Complete Construction. If the Developer shall fail to commence construction of the Improvements within sixty (60) days following the Approval Date or complete the construction of the Improvements on or prior to the Completion Date, both subject to force majeure delays as provided in Section 7.9, the Agency may give written notice (a "**Breach Notice**") of such breach to the Developer and, if applicable, to any Holder. The Developer shall have a period of thirty (30) days after the date of the Breach Notice to cure said breach, or if a cure is not possible within such thirty (30) day period, to commence such cure and diligently prosecute the same to completion, which shall in any event not exceed ninety (90) days from the date of the Breach Notice. In the event that the Developer shall fail to cure such breach within such period, the City shall have the right, at its option, to purchase and take possession of the Property with all improvements thereon. To exercise its option to purchase and take possession of the Property, the City shall pay to the Developer, in cash, an amount equal to:

1. the Purchase Price paid to Agency for the Property; plus

2. the amount, if any, of the costs incurred by Developer for on-site labor and materials for the construction of the Improvements, as well as fees and commissions paid to architects, designers, other design professionals, lawyers, accountants and brokers, that are not otherwise payable or paid from the proceeds of any loan secured by any Holders' mortgage or deed of trust encumbering the Property or the Improvements, provided such costs are reasonably documented by reasonable evidence delivered to the Agency and City within thirty (30) days after the Purchase Notice (as hereinafter defined) and such sums are reflected in an overall Project budget approved in writing by the Agency prior to the commencement of construction on the Property; less

3. any and all sums outstanding under any Holder's mortgage or deed of trust encumbering the Property or the Improvements and any prepayment premium and expenses related thereto.

The City's purchase of the Property pursuant to this Section 5.7 must be exercised by City by giving sixty (60) days written notice to Developer ("**Purchase Notice**"). Once timely notice is given by the City, then the City must purchase and take possession of the Property, and close escrow for the purchase, within six (6) months after the act or failure to act giving rise to the Breach Notice. Developer agrees to cooperate in good faith, and to promptly execute and record all documents necessary to effect the purchase described in this Section 5.7. City is a third party beneficiary of this Article 5.

In the event the City purchases and takes possession of the Property, Developer shall indemnify the City pursuant to Section 7.2 for the presence or clean-up of Hazardous Substances on, in or under the Property to the extent the same was caused by Developer or Developer's affiliates, agents or employees.

ARTICLE 6
EVENTS OF DEFAULT, REMEDIES AND TERMINATION

6.1 Developer Events of Defaults. Occurrence of any or all of the following, if uncured after the expiration of any applicable cure period, shall constitute a default ("**Developer Event of Default**") under this Agreement:

6.1.1 The Developer's failure to commence construction of the Improvements or to complete construction of the Improvements as provided herein and the Developer's failure to cure such breach, as provided in Section 5.7, provided that such failure is not due to causes beyond the Developer's control as provided in Section 7.9; or

6.1.2 The Developer's sale, lease, or other transfer, or the occurrence of any involuntary transfer, of the Property or any part thereof or interest therein in violation of this Agreement; or

6.1.3 The Developer's neglect, failure or refusal to keep in force and effect any permit or approval with respect to development of the Project (and the Agency shall reasonably cooperate with the Developer as to the same), unless such failure is due to causes beyond the Developer's reasonable control as provided in Section 7.9, or any policy of insurance required hereunder, and, so long as such failure is not caused by any wrongful act of the Agency or the City, the Developer's failure to cure such breach within thirty (30) days after receipt of written notice from the Agency of the Developer's breach; or

6.1.4 Filing of a petition in bankruptcy by or against the Developer or appointment of a receiver or trustee of any property of the Developer, or an assignment by the Developer for the benefit of creditors, or adjudication that the Developer is insolvent by a court, and the failure of the Developer to cause such petition, appointment, or assignment to be removed or discharged within ninety (90) days; or

6.1.5 The Developer's failure to perform any requirement or obligation of Developer set forth herein or in the Schedule of Performance, on or prior to the date for such performance set forth herein or in the Schedule of Performance (subject to delays pursuant to Section 7.9), and, so long as such failure is not caused by any wrongful act of the Agency or the City, the Developer's failure to cure such breach within thirty (30) days after receipt of written notice from the Agency of the Developer's breach; or

6.1.6 The Developer's failure to deposit with Escrow Holder the Deposit or the balance of the Purchase Price as required by Section 2.2.

6.2 Agency Events of Default. Occurrence of any or all of the following, if uncured after the expiration of the applicable cure period, shall constitute a default ("**Agency Event of Default**", and together with the Developer Event of Default, a "**Default**") under this Agreement:

6.2.1 The Agency, in violation of the applicable provision of this Agreement, fails to convey the Property to Developer at the Close of Escrow; or

6.2.2 The Agency breaches any other material provision of this Agreement.

Upon the occurrence of any of the above-described events, the Developer shall first notify the Agency in writing of its purported breach or failure, giving the Agency thirty (30) days from receipt of such notice to cure such breach or failure (other than a failure by the Agency to convey the Property at the Close of Escrow, for which there shall be no cure period) or if a cure is not possible within the thirty (30) day period, to begin such cure and diligently prosecute the same to completion, which shall, in any event, not exceed one hundred eighty (180) days from the date of receipt of the notice to cure.

6.3 Remedies in the Event of Default.

6.3.1 Remedies General. In the event of a breach or a default under this Agreement by either Developer or Agency, prior to the Close of Escrow, the non-defaulting party shall have the right to terminate this Agreement by providing ten (10) days written notice thereof to the defaulting party. If such breach or default is not cured within such ten (10) day period (other than a failure by the Agency to convey the Property at the Close of Escrow, for which there shall be no cure period), this Agreement and the Escrow for the purchase and sale of the Property shall terminate. Except as herein otherwise expressly provided, such termination of the Escrow by a non-defaulting party shall be without prejudice to the non-defaulting party's rights and remedies against the defaulting party at law or equity.

In the event of a Default under this Agreement after the Close of Escrow, the non-defaulting party may seek against the defaulting party any available remedies at law or equity, including but not limited to the right to receive reimbursement for its documented out-of-pocket costs relating to this purchase transaction or to pursue an action for specific performance, but in no event shall such non-defaulting party be entitled to receive any consequential or special damages. In addition, the City may purchase and take possession of the Property as set forth in Section 5.7.

IF THE DEVELOPER FAILS TO COMPLETE THE ACQUISITION OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF THE DEVELOPER, IT IS AGREED THAT THE DEPOSIT SHALL BE NON-REFUNDABLE AND THE AGENCY SHALL BE ENTITLED TO SUCH DEPOSIT, WHICH AMOUNT SHALL BE ACCEPTED BY THE AGENCY AS LIQUIDATED DAMAGES AND NOT AS A PENALTY AND AS THE AGENCY'S SOLE AND EXCLUSIVE REMEDY. IT IS AGREED THAT SAID AMOUNT CONSTITUTES A REASONABLE ESTIMATE OF THE DAMAGES TO THE AGENCY PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ. THE AGENCY AND DEVELOPER AGREE THAT IT WOULD BE IMPRACTICAL OR IMPOSSIBLE TO PRESENTLY PREDICT WHAT MONETARY DAMAGES THE AGENCY WOULD SUFFER UPON THE DEVELOPER'S FAILURE TO COMPLETE ITS ACQUISITION OF THE PROPERTY. THE DEVELOPER DESIRES TO LIMIT THE MONETARY DAMAGES FOR WHICH IT MIGHT BE LIABLE HEREUNDER AND THE DEVELOPER AND AGENCY DESIRE TO AVOID THE COSTS AND DELAYS THEY WOULD INCUR IF A LAWSUIT WERE COMMENCED TO RECOVER DAMAGES OR OTHERWISE ENFORCE THE AGENCY'S RIGHTS. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS PARAGRAPH, THE DEVELOPER AND AGENCY AGREE TO EXECUTE THE SAME.

THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

_____ _____

Agency Developer

6.3.2 Liberal Construction. The rights established in this Agreement are to be interpreted in light of the fact that the Agency will convey the Property to the Developer for development and operation of the Project thereon and not for speculation in undeveloped land or for construction of different improvements. The Developer acknowledges that it is of the essence of this Agreement that the Developer is obligated to complete all Improvements comprising the Project.

6.4 No Personal Liability. Except as specifically provided herein to the contrary, no representative, employee, attorney, agent or consultant of the Agency, City or Oversight Board shall personally be liable to the Developer, or any successor in interest of the Developer, in the event of any Default or breach by the Agency, or for any amount which may become due to the Developer, or any successor in interest, on any obligation under the terms of this Agreement.

6.5 Legal Actions.

6.5.1 Institution of Legal Actions. Any legal actions brought pursuant to this Agreement must be instituted in either the Superior Court of the County of Los Angeles, State of California, or in an appropriate municipal court in that County.

6.5.2 Applicable Law. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

6.5.3 Acceptance of Service of Process. If any legal action is commenced by the Developer against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director or Secretary of the Agency, or in such other manner as may be provided by law. If any legal action is commenced by the Agency against the Developer, service of process on the Developer shall be made by personal service upon the Developer, or in such other manner as may be provided by law, whether made within or without the State of California.

6.6 Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same Default or any other Default by the other party.

6.7 Inaction Not a Waiver of Default. Except as expressly provided in this Agreement to the contrary, any failure or delay by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies, or deprive either such party of its rights to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

ARTICLE 7
GENERAL PROVISIONS

7.1 Insurance.

7.1.1 Prior to commencement of any demolition or construction work on the Property by the Developer, the Developer shall obtain, at the Developer's sole cost and expense, and shall maintain in force until completion of construction of the Improvements, with a reputable and financially responsible insurance company reasonably acceptable to the Agency, broad form commercial general public liability insurance, insuring the Developer and the Agency against claims and liability for bodily injury, death, or property damage arising from the use, occupancy, condition, or operation of the Property and the Improvements thereon, which insurance shall provide combined single limit protection of at least Two Million Dollars ($2,000,000.00), and include contractual liability endorsement. Such insurance shall name the City, the Agency and the Oversight Board and their respective council members, board members, officers, employees, consultants, independent contractors, and attorneys as additional insureds.

7.1.2 Prior to commencement of any demolition or construction work on the Property by the Developer, the Developer shall also obtain, or cause to be obtained, at the Developer's sole cost and expense, and shall maintain in force until completion of the construction of the Improvements, with a reputable and financially responsible insurance company reasonably acceptable to the Agency (i) "all risk" builder's risk insurance, including coverage for vandalism and malicious mischief, in a form and amount and with a reputable and financially responsible insurance company reasonably acceptable to the Agency, and (ii) workers' compensation insurance covering all persons employed in connection with work. The builder's risk insurance shall cover improvements in place and all material and equipment at the job site furnished under contract, but shall exclude contractors', subcontractors', and construction managers' tools and equipment and property owned by contractors' and subcontractors' employees.

7.1.3 Prior to the commencement of any demolition or construction work on the Property by the Developer, the Developer shall also furnish or cause to be furnished to the Agency evidence satisfactory to the Agency that any contractor with whom it has contracted for the performance of work on the Property carries workers' compensation insurance as required by law.

7.1.4 With respect to each policy of insurance required above, the Developer shall furnish a certificate of insurance countersigned by an authorized agent of the insurance carrier on the insurance carrier's form setting forth the general provisions of the insurance coverage. The required certificate shall be furnished by the Developer prior to commencement of any demolition or construction work on the Property.

7.1.5 All such policies required by this Section shall be nonassessable and shall contain language to the effect that (i) the policies cannot be canceled or materially changed except after thirty (30) days' written notice by the insurer to the Agency, and (ii) the Agency shall not be liable for any premiums or assessments. All such insurance shall have deductibility limits reasonably satisfactory to the Agency. The provisions of this Section shall survive the Close of Escrow and the recordation of the Grant Deed and shall not be deemed merged into the Grant Deed upon its recordation.

7.2 Indemnity.

7.2.1 The Developer shall indemnify, defend, protect, and hold harmless the Agency, the City and the Oversight Board and any and all agents, employees, attorneys and representatives of the Agency, the City and the Oversight Board, from and against all losses, liabilities, claims, damages (including consequential damages), penalties, fines, forfeitures, costs and expenses (including all reasonable out-of-pocket litigation costs and reasonable attorney's fees) and demands of any nature whatsoever, related directly or indirectly to, or arising out of or in connection with:

(a) the Developer's use, ownership, management, occupancy, or possession of the Property;

(b) any breach or Default of the Developer hereunder;

(c) any of the Developer's activities on the Property (or the activities of the Developer's agents, employees, lessees, representatives, licensees, guests, invitees, contractors, subcontractors, or independent contractors on the Property), including without limitation, the construction of the Improvements on the Property;

(d) the presence or clean-up of Hazardous Substances on, in or under the Property to the extent the same was caused by Developer or Developer's affiliates, agents or employees; or,

(e) any other fact, circumstance or event related to the Developer's performance hereunder, or which may otherwise arise from the Developer's ownership, use, possession, improvement, operation or disposition of the Property, regardless of whether such damages, losses and liabilities shall accrue or are discovered before or after termination or expiration of this Agreement, or before or after the conveyance of the Property.

7.2.2 The indemnity obligations described in this Section 7.2 shall survive for a period of four (4) years from the earlier of (i) the termination of this Agreement, or (ii) the completion of the Improvements, and shall not be deemed merged into the Grant Deed upon the recordation.

7.3 Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, by nationally recognized overnight courier or by personal delivery. Notices shall be considered given upon the earlier of (a) personal delivery, (b) three (3) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, (c) the next business day after deposit with a nationally reorganized overnight courier, in each instance addressed to the recipient as set forth below. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

Agency:	Troy Helling, Acting Executive Director Successor Agency to the Industry Urban-Development Agency 15625 East Stafford Street, Suite 100 City of Industry, CA 91744 Phone: (626) 333-2211 Email: thelling@cityofindustry.org
with a copy to:	James M. Casso, Agency Counsel Casso & Sparks, LLP 13200 Crossroads Parkway N, Suite 345 City of Industry, CA 91746 Phone: (626) 269-2980 Email: jcasso@cassosparks.com
Developer:	Roger S. Penske Jr, Manager P.T. Enterprises, LLC 9136 E. Firestone Blvd. Downey, CA 92041 Phone: (626) 859-1241 Email: penske@socalpenske.com
with a copy to:	PENSKE ATTORNEY, if any

7.4 Construction. The parties agree that each party and its counsel have reviewed and revised this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto.

7.5 Developer's Warranties. The Developer warrants and represents to the City and the Agency as follows:

7.5.1 The Developer has full power and authority to execute and enter into this Agreement and to consummate the transaction contemplated hereunder. This Agreement constitutes the valid and binding agreement of the Developer, enforceable in accordance with its terms subject to bankruptcy, insolvency of other creditors' rights laws of general application. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions covered hereby, nor compliance with the terms and provisions hereof, shall conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Developer is a party.

7.5.2 As of the Close of Escrow, the Developer will have inspected the Property and will be familiar with all aspects of the Property and its condition, and will accept such condition.

7.5.3 The Developer has not paid or given, and will not pay or give, to any third person, any money or other consideration for obtaining this Agreement, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

7.6 Interpretation. In this Agreement, the neuter gender includes the feminine and masculine, and singular number includes the plural, and the words "person" and "party" include corporation, partnership, firm, trust, or association where ever the context so requires.

7.7 Time of the Essence. Time is of the essence of this Agreement.

7.8 Attorneys' Fees. If any party brings an action to enforce the terms hereof or declare its rights hereunder, the prevailing party in any such action shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court. If the Agency, or the Developer, without fault, is made a party to any litigation instituted by or against the other party, such other party shall defend it against and save it harmless from all costs and expenses including reasonable attorney's fees incurred in connection with such litigation.

7.9 Enforced Delay: Extension of Times of Performance. Notwithstanding anything to the contrary in this Agreement, unexcused failure to commence construction of the Improvements on or prior to the Commencement Date or to complete construction of the Improvements on or prior to the Phase I Completion Date or Phase II Completion Date shall constitute a Default hereunder as herein set forth; provided, however, nonperformance of such obligations or any other obligations to be performed hereunder shall be excused when performance is prevented or delayed by reason of any of the following forces reasonably beyond the control of the party responsible for such performance: (i) war, insurrection, riot, flood, severe weather, earthquake, fire, casualty, acts of public enemy, governmental restriction, litigation, acts or failures to act of any governmental or quasi-governmental agency or entity, including the Agency, or public utility, or any declarant under any applicable conditions, covenants, and restrictions affecting the Property, or (ii) inability to secure necessary labor, materials or tools, strikes, lockouts, delays of any contractor, subcontractor or supplier or (iii) other matters generally constituting a force majeure event in circumstances similar to those contemplated by this Agreement (but which shall not in any event include the availability of financing to construct the Improvements). In the event of an occurrence described in clauses (i), (ii) or (iii) above, such nonperformance shall be excused and the time of performance shall be extended by the number of days the matters described in clauses (i), (ii) or (iii) above materially prevent or delay performance.

7.10 Approvals by the Agency and the Developer. Unless otherwise specifically provided herein, wherever this Agreement requires the Agency or the Developer to approve any contract, document, plan, proposal, specification, drawing or other matter, such approval shall not unreasonably be withheld, conditioned or delayed.

7.11 Developer's Private Undertaking. The development covered by this Agreement is a private undertaking, and the Developer shall have full power over and exclusive control of the Property while the Developer holds title to the Property; subject only to the limitations and obligations of the Developer under this Agreement and the Redevelopment Plan.

7.12 Entire Agreement, Waivers and Amendments. This Agreement is executed in duplicate originals, each of which is deemed to be an original. This Agreement, together with all attachments and exhibits hereto, constitutes the entire understanding and agreement of the parties. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter hereof. No subsequent agreement, representation or promise made by either party

hereto, or by or to any employee, officer, agent or representative of either party, shall be of any effect unless it is in writing and executed by the party to be bound thereby. No person is authorized to make, and by execution hereof the Developer and the Agency acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on the Developer or the Agency.

7.13 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.14 Severability. Each and every provision of this Agreement is, and shall be construed to be, a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof shall to any extent be held to be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

7.15 Survival. The provisions hereof shall not terminate but rather shall survive any conveyance hereunder and the delivery of all consideration.

7.16 Representations of Agency. The Agency warrants and represents to the Developer as follows:

(a) The Agency has full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder. This Agreement constitutes the valid and binding agreement of the Agency, enforceable in accordance with its terms subject to bankruptcy, insolvency and other creditors' rights laws of general application. Neither the execution nor delivery of this Agreement, nor the consummation of the transactions covered hereby, nor compliance with the terms and provisions hereof, shall conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Agency is a party.

(b) As of the Effective Date, the Agency has made available to Developer, by online link entitled http://www.cityofindustry.org/?p=city-hall&s=for-sale, complete copies of all studies, reports, agreements, documents, instruments, environmental assessments, surveys, soils reports, documents, plans, maps, permits and entitlements in Agency's possession (excluding only appraisals) concerning the Property.

(c) As of the Effective Date and the Close of Escrow, the Property is not presently the subject of any condemnation or similar proceeding, and to the Agency's knowledge, no such condemnation or similar proceeding is currently threatened or pending.

(d) As of the Close of Escrow, there are no management, service, supply or maintenance contracts affecting the Property which shall affect the Property on or following the Close of Escrow.

(e) The Agency has not authorized any broker or finder to act on its behalf in connection with the sale and purchase hereunder and the Agency has not dealt with any broker or finder purporting to act on behalf of the Agency or otherwise.

(f) As of the Close of Escrow, there are no leases or other occupancy agreements affecting the Property which shall affect the Property on or following the Close of Escrow.

(g) As of the Close of Escrow and to the actual knowledge of the Agency, the Agency has not received any written notice from any governmental entity regarding the violation of any law or governmental regulation with respect to the Property, except as may be set forth in Attachment 1.

7.17 Developer's Broker(s). Developer shall pay all commissions and fees that may be payable to any broker, finder or salesperson engaged by Developer, and shall defend, indemnify and hold Agency and City harmless from and against any and all claims, liabilities, losses, damages, costs and expenses relating thereto.

7.18 No Third Party Beneficiaries other than City. City is a third party beneficiary of this Agreement, with the right to enforce the provisions hereof. This Agreement is made and entered into for the sole protection and benefit of the Parties and City and their successors and assigns. No other person shall have any right of action based upon any provision of this Agreement.

[SIGNATURES ON NEXT PAGE]

DRAFT

IN WITNESS WHEREOF, the parties hereto have entered into this agreement as of the Effective Date.

AGENCY

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

By:_____
Mark D. Radecki, Chairman

ATTEST:

_____
Diane M. Schlichting, Agency Secretary

APPROVED AS TO FORM:

_____
James M. Casso, Agency General Counsel

DEVELOPER

P.T. Enterprise, LLC,
a California limited liability company

By:_____
Roger S. Penske, Manager

DRAFT

LIST OF EXHIBITS

Exhibit "A"	Legal Description of the Property
Exhibit "B"	Schedule of Performance
Exhibit "C"	Form of Grant Deed
Exhibit "D"	Right of Entry and Access Agreement
Exhibit "E"	List of Environmental Reports
Exhibit "F"	Improvements
Exhibit "G"	Form of Certificate of Completion

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

(17647 Gale Ave)
APN 8264-012-923, 8264-013-913 and 8264-013-914

THOSE PORTIONS OF PARCELS 17, 18, 20 AND 21 OF PARCEL MAP No. 234, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 74 THROUGH 77, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNIING AT THE SOUTHWEST CORNER OF PARCEL 9, OF SAID PARCEL MAP No. 234, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF GALE AVENUE, 67.00 FOOT WIDE; THENCE ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 906.24 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 373.33 FEET; THENCE LEAVING SAID NORTHERLY LINE NORTH 04° 05' 41" EAST, 50.15 FEET; THENCE NORTH 81° 31' 24" WEST, 43.83 FEET TO THE EASTERLY LINE OF PARCEL 1 OF MINOR LOT LINE ADJUSTMENT No. 62 IN SAID CITY, COUNTY AND STATE, RECORDED MAY 13, 2005, AS INSTRUMENT No. 05-1141417 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE OF SAID PARCEL 1, NORTH 04° 05' 41" EAST, 540.08 FEET TO ITS INTERSECTION WITH A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5809.60 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 23° 27' 52" WEST, SAID CURVE BEING CONCENTRIC WITH AND 30.00 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, 100.00 FEET WIDE, FORMERLY LOS ANGELES AND SALT LAKE RAILROAD, BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.60 FEET; THENCE EASTERLY ALONG THE ARC OF FIRST SAID CURVE, THROUGH A CENTRAL ANGLE OF 05° 18' 16", AN ARC DISTANCE OF 537.86 FEET TO ITS INTERSECTION WITH THE NORTHERLY PROLONGATION OF A LINE PARALLEL WITH AND 3.24 FEET WESTERLY AS MEASURED AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 18; THENCE NON-TANGENT TO LAST SAID CURVE, ALONG SAID PARALLEL LINE SOUTH 08° 28' 36" WEST, 338.31 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 46.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 31° 30' 45" EAST; THENCE WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 149° 54' 21", AN ARC DISTANCE OF 120.35 FEET THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 44.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 61° 36' 24" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 36° 52' 12", AN ARC DISTANCE OF 28.31 FEET;

THENCE TANGENT TO LAST SAID CURVE SOUTH 08° 28' 36" WEST, 22.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 17.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 26.70 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINING 253,957 SQUARE FEET (5.83 ACRES) OF LAND, MORE OR LESS.
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF HEREOF.

EXHIBIT "B"

SCHEDULE OF PERFORMANCE

Activity	Time Frame
Initial Deposit	Concurrently with the Letter of Intent
Commencement of Due Diligence Period	On the Effective Date
Opening of Escrow	Within five (5) business days after the Effective Date
Additional Deposit	Within ten (10) business days after the opening of Escrow
Expiration of the Due Diligence Period	Forty-five (45) days from the Effective Date
Delivery of Closing Documents	At least two (2) days prior to the Close of Escrow
Close of Escrow	Within One Hundred and Twenty (120) days following the opening of Escrow
Commencement Date	Within Twelve (12) months following the Close of Escrow
Issuance of Certificate of Completion.	Promptly after Agency receives written request from Developer once all requirements of the Agreement have been satisfied

EXHIBIT "C"

FORM OF GRANT DEED

RECORDING REQUESTED BY:

FIRST AMERICAN TITLE INSURANCE COMPANY

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383]

GRANT DEED

Documentary Transfer Tax: $_____

THE UNDERSIGNED GRANTOR DECLARES:

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY** (the "**Grantor**"), hereby grants to **P.T. Enterprises, LLC**, a California limited liability company (the "**Grantee**"), that certain real property described in Exhibit A attached hereto (the "**Site**") and incorporated herein by this reference, together with all of Grantor's right title and interest in and to all easements, privileges and rights appurtenant to the Site.

This Grant Deed of the Site is subject to the provisions of a Purchase Agreement [17647 Gale Avenue] (the "**Agreement**") entered into by and between the Grantor and Grantee dated as of _____, 2018, the terms of which are incorporated herein by reference. A copy of the Agreement is available for public inspection at the offices of the Grantor located at 15625 East Stafford Street, Suite 100, City of Industry, California 91744. The Site is conveyed further subject to all easements, rights of way, covenants, conditions, restrictions, reservations and all other matters of record, and the following conditions, covenants and agreements.

1. The Site as described in Exhibit A is conveyed subject to the condition that the Grantee covenants and agrees for itself, and its successors and its assigns, that the Grantee, such successors, and such assignees shall use the Site, and every part thereof, only for the construction of certain improvements thereon as described in the Agreement and thereafter for any use allowed under applicable law. The Grantor shall have the right to assign all of its rights and benefits hereunder to the City of Industry, California ("**City**"). As provided in Section 5.7 of the Agreement, upon the violation or failure of the foregoing covenant, the City shall purchase and take possession of the Site from the Grantee or its successors and assigns; provided, however, that the City's purchase and possession of the Site shall not arise unless and until the Grantor gives the Grantee

written notice thereof specifying the particular failure or violation in the manner and time period provided in Section 5.7 of the Agreement and, at the expiration of the cure period specified in Section 5.7 of the Agreement, the failure has not been remedied or the violation has not ceased.

2. The Site is conveyed subject to the condition that:

(a) The Grantee covenants and agrees for itself, its successors and assigns, and every successor in interest to the Site, that after completion of the Project (as defined in the Agreement), the Grantee and the Grantee's transferees, successors and assigns, shall maintain the Site and the Project (including landscaping) in a commercially reasonable condition and repair for a period of fifteen (15) years, and following construction of certain improvements thereon shall use the Site for any such uses as are allowed under applicable law.

(b) The Grantee covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph.

3. All deeds, leases or contracts entered into with respect to the Property shall contain or be subject to substantially the following nondiscrimination/nonsegregation clauses:

(a) In deeds: "The Grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises herein conveyed, nor shall the Grantee himself or herself, or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the premises herein conveyed. The foregoing covenants shall run with the land.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(b) In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the leasing, subleasing, transferring, use or occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants or vendees in the premises herein leased.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

(c) In contracts: "The contracting party or parties hereby covenant by and for himself or herself and their respective successors and assigns, that there shall be no discrimination against or segregation of any person or group of persons, on account of any basis listed in subdivision (a) or (d) of Section 12955 of the California Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the California Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the contracting party or parties, any subcontracting party or parties, or their respective assigns or transferees, establish or permit any such practice or practices of discrimination or segregation.

Notwithstanding the immediately preceding paragraph, with respect to familial status, said paragraph shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the California Government Code. With respect to familial status, nothing in said paragraph shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the California Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the California Civil Code and subdivisions (n), (o) and (p) of Section 12955 of the California Government Code shall apply to said paragraph."

4. All covenants and agreements contained in this Grant Deed shall run with the land and shall be binding for the benefit of Grantor and its successors and assigns and such covenants shall run in favor of the Grantor and for the entire period during which the covenants shall be in force and effect as provided in the Agreement, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies provided herein or otherwise available, and to maintain any actions at law or suits in equity or other property proceedings to enforce the curing of such breach. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successors and assigns.

5. The covenants contained in Paragraphs 2 and 3 of this Grant Deed shall remain in effect in perpetuity except as otherwise expressly set forth therein.

6. This Grant Deed may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signatures appear on next page.]

IN WITNESS WHEREOF, Grantor and Grantee have caused this Grant Deed to be executed and notarized as of this ____ day of _____, 2018.

GRANTOR:

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

By:_____
Name:_____
Title:_____

ATTEST:

_____
Agency Secretary

GRANTEE:

P.T. Enterprises, LLC,
a California limited liability company

By:_____
Name: Roger S. Penske
Title: Manager

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

Exhibit A

LEGAL DESCRIPTION

(17647 Gale Ave)
APN 8264-012-923, 8264-013-913 and 8264-013-914

THOSE PORTIONS OF PARCELS 17, 18, 20 AND 21 OF PARCEL MAP No. 234, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 74 THROUGH 77, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNIING AT THE SOUTHWEST CORNER OF PARCEL 9, OF SAID PARCEL MAP No. 234, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF GALE AVENUE, 67.00 FOOT WIDE; THENCE ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 906.24 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 373.33 FEET; THENCE LEAVING SAID NORTHERLY LINE NORTH 04° 05' 41" EAST, 50.15 FEET; THENCE NORTH 81° 31' 24" WEST, 43.83 FEET TO THE EASTERLY LINE OF PARCEL 1 OF MINOR LOT LINE ADJUSTMENT No. 62 IN SAID CITY, COUNTY AND STATE, RECORDED MAY 13, 2005, AS INSTRUMENT No. 05-1141417 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE OF SAID PARCEL 1, NORTH 04° 05' 41" EAST, 540.08 FEET TO ITS INTERSECTION WITH A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5809.60 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 23° 27' 52" WEST, SAID CURVE BEING CONCENTRIC WITH AND 30.00 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, 100.00 FEET WIDE, FORMERLY LOS ANGELES AND SALT LAKE RAILROAD, BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.60 FEET; THENCE EASTERLY ALONG THE ARC OF FIRST SAID CURVE, THROUGH A CENTRAL ANGLE OF 05° 18' 16", AN ARC DISTANCE OF 537.86 FEET TO ITS INTERSECTION WITH THE NORTHERLY PROLONGATION OF A LINE PARALLEL WITH AND 3.24 FEET WESTERLY AS MEASURED AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 18; THENCE NON-TANGENT TO LAST SAID CURVE, ALONG SAID PARALLEL LINE SOUTH 08° 28' 36" WEST, 338.31 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 46.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 31° 30' 45" EAST; THENCE WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 149° 54' 21", AN ARC DISTANCE OF 120.35 FEET THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 44.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 61° 36' 24" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID REVERSE CURVE, THROUGH A CENTRAL ANGLE OF 36° 52' 12", AN ARC DISTANCE OF 28.31 FEET;

THENCE TANGENT TO LAST SAID CURVE SOUTH 08° 28' 36" WEST, 22.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 17.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 26.70 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINING 253,957 SQUARE FEET (5.83 ACRES) OF LAND, MORE OR LESS.
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF HEREOF.

EXHIBIT "D"

RIGHT OF ENTRY AND ACCESS AGREEMENT

THIS RIGHT OF ENTRY AND ACCESS AGREEMENT (herein called this "**Agreement**") is made and entered into as of _____, 2018, by the **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**, a public body, corporate and politic (herein called "**Grantor**"), and P.T. Enterprises, LLC, a California limited liability company (herein called "**Grantee**").

W I T N E S S E T H:

WHEREAS, Grantor is the owner of the real property located at 17647 Gale Avenue, Industry, California 91748 and more particularly described in Exhibit "A", which exhibit is attached hereto and incorporated herein by reference (herein called the "**Property**");

WHEREAS, concurrently with the execution of this Agreement, Grantor and Grantee contemplate entering into a Purchase Agreement related to the Property (the "**Purchase Agreement**");

WHEREAS, Grantee has requested the right of entry upon and access to the Property for the purpose of undertaking tests, inspections and other due diligence activities (herein called the "**Due Diligence Activities**") in connection with the proposed acquisition by Grantee of the Property;

WHEREAS, Grantor has agreed to grant to Grantee, and Grantee has agreed to accept from Grantor, a non-exclusive, revocable license to enter upon the Property to perform the Due Diligence Activities in accordance with the terms and provisions of this Agreement;

WHEREAS, Grantor and Grantee desire to execute and enter into this Agreement for the purpose of setting forth their agreement with respect to the Due Diligence Activities and Grantee's entry upon the Property.

NOW, THEREFORE, for and in consideration of the foregoing premises, the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee do hereby covenant and agree as follows:

1. Access by Grantee.

a. Subject to Grantee's compliance with the terms and provisions of this Agreement, until the earlier to occur of (i) the expiration of the Due Diligence Period (as defined in the Purchase Agreement); or (ii) the earlier termination of this Agreement, Grantee and Grantee's agents, employees, contractors, representatives and other designees (herein collectively called "**Grantee's Designees**") shall have the right to enter upon the Property for the purpose of conducting the Due Diligence Activities.

b. Grantee expressly agrees as follows: (i) any activities by or on behalf of Grantee, including, without limitation, the entry by Grantee or Grantee's Designees onto the Property in

connection with the Due Diligence Activities shall not materially damage the Property in any manner whatsoever or disturb or interfere with the rights or possession of any tenant on the Property, (ii) in the event the Property is materially altered or disturbed in any manner in connection with the Due Diligence Activities, Grantee shall immediately return the Property to substantially the same condition existing prior to the Due Diligence Activities, and (iii) Grantee, to the extent allowed by law, shall indemnify, defend and hold Grantor harmless from and against any and all claims, liabilities, damages, losses, costs and expenses of any kind or nature whatsoever (including, without limitation, attorneys' fees and expenses and court costs) suffered, incurred or sustained by Grantor as a result of, by reason of, or in connection with the Due Diligence Activities or the entry by Grantee or Grantee's Designees onto the Property; provided, however, that in no event shall Grantee be liable for any liabilities, damages, losses, costs or expenses of any kind or nature that relate, directly or indirectly, to (y) consequential or punitive damages; or (z) matters that are merely discovered, but not exacerbated, by Grantee. Notwithstanding any provision of this Agreement to the contrary, Grantee shall not have the right to undertake any invasive activities or tests upon the Property, or any environmental testing on the Property beyond the scope of a standard "Phase I" investigation, without the prior written consent of Grantor of a workplan for such "Phase II" or invasive testing. If Granter does not respond or reject any workplan within ten (10) days of Grantee's delivery of the written workplan proposal to Grantor pursuant to the notice provisions of this Agreement, then Grantor shall be deemed to have approved the submitted workplan and Grantee may proceed with such testing. If Grantor rejects such proposed workplan in whole or in part, then this Agreement shall become null and void at the sole option of Grantee, which option must be exercised by Grantee's giving Grantor written notice on or before the expiration of the Due Diligence Period, as defined in the Purchase Agreement.

c. Lien Waivers. Upon receipt of a written request from Granter, Grantee will provide Grantor with lien waivers following completion of the Due Diligence Activities from each and every contractor, materialman, engineer, architect and surveyor who might have lien rights, in form and substance reasonably satisfactory to Granter and its counsel. Grantee hereby indemnifies Grantor from and against any claims or demands for payment, or any liens or lien claims made against Grantor or the Property as a result of the Due Diligence Activities.

d. Insurance. Grantee shall, and shall cause all of Grantee's Designees performing the Due Diligence Activities to, procure or maintain a policy of commercial general liability insurance issued by an insurer reasonably satisfactory to Grantor covering each of the Due Diligence Activities with a single limit of liability (per occurrence and aggregate) of not less than One Million Dollars ($1,000,000.00), and to deliver to Grantor a certificate of insurance evidencing that such insurance is in force and effect, and evidencing that Grantor has been named as an additional insured thereunder with respect to the Due Diligence Activities. Such insurance shall be maintained in force throughout the term of this Agreement.

e. Successors. To the extent any rights or obligations under this Agreement remain in effect, this Agreement shall be binding upon and enforceable against, and shall inure to the benefit of, the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

f. Limitations. Grantor does not hereby convey to Grantee any right, title or interest in or to the Property, but merely grants the specific rights and privileges hereinabove set forth.

g. Notices. Whenever any notice, demand, or request is required or permitted under this Agreement, such notice, demand, or request shall be in writing and shall be delivered by hand, be sent by registered or certified mail, postage prepaid, return receipt requested, or shall be sent by nationally recognized commercial courier for next business day delivery, to the addresses set forth below the respective executions of the parties hereof, or to such other addresses as are specified by written notice given in accordance herewith, or shall be transmitted by facsimile to the number for each party set forth below their respective executions hereof, or to such other numbers as are specified by written notice given in accordance herewith. All notices, demands, or requests delivered by hand shall be deemed given upon the date so delivered; those given by mailing as hereinabove provided shall be deemed given on the date of deposit in the United States Mail; those given by commercial courier as hereinabove provided shall be deemed given on the date of deposit with the commercial courier; and those given by facsimile shall be deemed given on the date of facsimile transmittal. Nonetheless, the time period, if any, in which a response to any notice, demand, or request must be given shall commence to run from the date of receipt of the notice, demand, or request by the addressee thereof. Any notice, demand, or request not received because of changed address or facsimile number of which no notice was given as hereinabove provided or because of refusal to accept delivery shall be deemed received by the party to whom addressed on the date of hand delivery, on the date of facsimile transmittal, on the first calendar day after deposit with commercial courier, or on the third calendar day following deposit in the United States Mail, as the case may be.

h. Assignment. This Agreement may be assigned by Grantee, in whole or in part.

i. Governing Law. This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of California.

j. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

k. No Recording of Agreement or Memorandum of Agreement. In no event shall this Agreement or any memorandum hereof be recorded in the Official Records of Los Angeles County, California, and any such recordation or attempted recordation shall constitute a breach of this Agreement by the party responsible for such recordation or attempted recordation.

IN WITNESS WHEREOF, Grantor and Grantee have caused this Agreement to be executed and sealed, all the day and year first written above.

GRANTOR

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

By:_____
Mark D. Radecki, Chairman

ATTEST:

_____
Diane M. Schlichting, Agency Secretary

APPROVED AS TO FORM:

_____
James M. Casso, Agency General Counsel

GRANTEE

P.T. Enterprises, LLC.
a California limited liability company

By:_____
Roger S. Penske, Manager

Exhibit "A"

LEGAL DESCRIPTION

(17647 Gale Ave)
APN 8264-012-923, 8264-013-913 and 8264-013-914

THOSE PORTIONS OF PARCELS 17, 18, 20 AND 21 OF PARCEL MAP No. 234, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 74 THROUGH 77, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNIING AT THE SOUTHWEST CORNER OF PARCEL 9, OF SAID PARCEL MAP No. 234, SAID POINT ALSO BEING ON THE NORTHERLY LINE OF GALE AVENUE, 67.00 FOOT WIDE; THENCE ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 906.24 FEET TO THE **TRUE POINT OF BEGINNING**; THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 373.33 FEET; THENCE LEAVING SAID NORTHERLY LINE NORTH 04° 05' 41" EAST, 50.15 FEET; THENCE NORTH 81° 31' 24" WEST, 43.83 FEET TO THE EASTERLY LINE OF PARCEL 1 OF MINOR LOT LINE ADJUSTMENT No. 62 IN SAID CITY, COUNTY AND STATE, RECORDED MAY 13, 2005, AS INSTRUMENT No. 05-1141417 OF OFFICIAL RECORDS; THENCE ALONG SAID EASTERLY LINE OF SAID PARCEL 1, NORTH 04° 05' 41" EAST, 540.08 FEET TO ITS INTERSECTION WITH A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5809.60 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 23° 27' 52" WEST, SAID CURVE BEING CONCENTRIC WITH AND 30.00 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, 100.00 FEET WIDE, FORMERLY LOS ANGELES AND SALT LAKE RAILROAD, BEING A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.60 FEET; THENCE EASTERLY ALONG THE ARC OF FIRST SAID CURVE, THROUGH A CENTRAL ANGLE OF 05° 18' 16", AN ARC DISTANCE OF 537.86 FEET TO ITS INTERSECTION WITH THE NORTHERLY PROLONGATION OF A LINE PARALLEL WITH AND 3.24 FEET WESTERLY AS MEASURED AT RIGHT ANGLES FROM THE EASTERLY LINE OF SAID PARCEL 18; THENCE NON-TANGENT TO LAST SAID CURVE, ALONG SAID PARALLEL LINE SOUTH 08° 28' 36" WEST, 338.31 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 46.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 31° 30' 45" EAST; THENCE WESTERLY, SOUTHWESTERLY AND SOUTHERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 149° 54' 21", AN ARC DISTANCE OF 120.35 FEET THE BEGINNING OF A REVERSE CURVE CONCAVE WESTERLY AND HAVING A RADIUS OF 44.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS NORTH 61° 36' 24" EAST; THENCE SOUTHERLY ALONG THE ARC OF SAID REVERSE CURVE,

THROUGH A CENTRAL ANGLE OF 36° 52' 12", AN ARC DISTANCE OF 28.31 FEET; THENCE TANGENT TO LAST SAID CURVE SOUTH 08° 28' 36" WEST, 22.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 17.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF LAST SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 26.70 FEET TO THE **TRUE POINT OF BEGINNING**

CONTAINING 253,957 SQUARE FEET (5.83 ACRES) OF LAND, MORE OR LESS.
AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND MADE A PART OF HEREOF.

EXHIBIT "E"

LIST OF ENVIRONMENTAL REPORTS

This property was part of a large group of properties purchased by the IUDA around early 2004. This particular parcel used to have a 3 Day Suit Broker business operating within the one building on this parcel and a business called The Hop on the other parcel. Two separate Phase 1 studies were prepared in April 2006 for the 3 Day Suit Broker and The Hop. A hazardous materials abatement report was prepared for the 3 Day Suit Broker in August 2007. Earlier Phase I studies occurred in 2000 and 2003 for the property known as the Plaza at Puente Hills prior to the purchase of the property but the two from 2006 noted above are specific to the property within this purchase agreement, so we are utilizing them for this summary. The 3 Day Suit Broker report concluded that there were lead containing surface coatings and asbestos containing building materials and that the former Malibu Grand Prix facility had the potential to impact groundwater beneath the site. However, they only recommend exploring the Malibu Grand Prix impacts to groundwater should any groundwater production wells on the site be proposed for installation. The August 2007 abatement report for the 3 Day Suit Broker states that all the proper abatement procedures were followed when the building was demolished and the site was cleared. While the abatement report for the Hop wasn't found in the City's records, it was demolished at the same time by the same contractor that demolished the 3 Day Suite Broker, so it most likely was abated in the same fashion under the same inspection. There are no structures on the property today.

Phase I Environmental Site Assessment Report dated April 7, 2006 and prepared by Leighton Consulting, Inc.

Phase I Environmental Site Assessment dated November 21, 2003 and prepared by Environmental Engineering & Contracting, Inc.

Final Environmental Site Assessment dated October 19, 2000 and prepared by Harding ESE, Inc.

Property Condition Survey Report dated October 10, 2000 and prepared by Marx/Okubo Associates, Ltd.

EXHIBIT "F"

IMPROVEMENTS

To be provided by P.T. Enterprises, LLC

EXHIBIT "G"

FORM OF CERTIFICATE OF COMPLETION

RECORDING REQUESTED BY:

First American Title Insurance Company

AND WHEN RECORDED RETURN TO:

Successor Agency to the
Industry Urban-Development Agency
15625 East Stafford Street, Suite 100
City of Industry, California 91744
Attention: Diane Schlichting

[The undersigned declares that this Certificate of Completion is exempt from Recording Fees pursuant to California Government Code Section 27383]

CERTIFICATE OF COMPLETION

This Certificate of Completion is given this _____ day of _____, 2018, with reference to the following matters:

A. The **SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**, a public body, corporate and politic (the "**Agency**") and P.T. Enterprises, LLC, a California limited liability company (the "**Developer**") entered into a certain Purchase Agreement [17647 Gale Avenue] dated as of _____, 2018 (the "**Agreement**"), which Agreement provides, in Section 3.7 thereof, that the Agency shall furnish the Developer with a Certificate of Completion upon satisfactory completion of the Improvements (as described in the Agreement) on the real property described therein as the Property (the "**Site**"), which certificate shall be in such form as to permit it to be recorded in the Recorder's Office of Los Angeles County; and

B. The Certificate of Completion shall be conclusive determination of satisfactory completion of the construction of Improvements required with respect to the Site; and

C. The Agency has determined that the construction of the Improvements has been satisfactorily performed; and

NOW, THEREFORE, the parties to this instrument hereby provide as follows:

1. As provided in the Agreement, the Agency does hereby certify that the construction of the Improvements on the Site has been satisfactorily performed and completed.

2. This Certificate shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any holder of a mortgage, or deed of trust or any insurer of a mortgage, or deed of trust securing money loaned to finance the improvements or any part thereof,

nor does it constitute evidence of payment of any promissory note or performance of any deed of trust provided by the Developer to the Agency under the Agreement or otherwise.

IN WITNESS WHEREOF, the Agency has executed this Certificate of Completion as of the day and year first above written.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY

By: _____
Name: _____
Title: _____

ATTEST:

_____
Agency Secretary

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On _____, before me, _____,
(insert name and title of the officer)
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)

SUCCESSOR AGENCY

ITEM NO. 5.4

SUCCESSOR AGENCY TO THE

INDUSTRY URBAN - DEVELOPMENT AGENCY

MEMORANDUM

TO: Honorable Chairman and Members of the Successor Agency to the Industry Urban-Development Agency Board

FROM: Troy Helling, Acting Executive Director

STAFF: Joshua Nelson, Contract Agency Engineer, CNC Engineering
Gerardo Perez, Construction Manager, CNC Engineering

DATE: June 14, 2018

SUBJECT: Consideration of Change Order Nos. 3, 12, 13, 14, 15 and 16 for Contract No. IBC-0381R, Industry Business Center, Phase 2 Mass Grading, Middle West Side with Sukut Construction, LLC and authorize the Chairman to execute the approved change orders

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Background:

On March 10, 2016, the Successor Agency to the Industry Urban-Development Agency ("Agency") awarded Contract No. IBC-0381R, Industry Business Center, Phase 2 Mass Grading, Middle West Side, to Sukut Construction, LLC in the amount of $30,237,655.00, which includes a contingency amount of $5,500,000.00.

This project consists of mass grading of 250 acres of hillside area west of Grand Avenue which involves moving approximately 5 million yards of soil and removing approximately 2 million yards of unstable soil and replacing it as engineered compacted fill. The project also includes storm drains ranging in size from 24-inch diameter to 72-inch diameter reinforced concrete pipe, bench drains, down drains and asphalt pavement. On the east side of Grand Avenue, the existing surcharge/stockpile was used to extend the slopes easterly and haul, spread and compact over existing building pads.

Discussion:

During the course of construction, the following additional work was necessary due to plan revisions or additions to the contract plans received after the project was awarded and were not part of the original contract. In addition, changed conditions were encountered in the field that could not have been anticipated during the bidding phase.

On January 25, 2018, the Agency Board approved the following change orders in the amount of **$1,363,326.39**;

Change Order Request No. 1: Change Order Request No. 1 was for placement of concrete barriers around the existing landfill wellheads was not performed. No costs.

Change Order No. 2: Costs in the amount of **$44,231.26** for installation of five wells to monitor methane gas migration

Change Order No. 4: Costs in the amount of **$26,423.94** to install a concrete headwall per Caltrans Standard D89 as part of Plan Revision No. 1.

Change Order No. 5: Costs in the amount of **$136,120.38** install precast concrete vaults for 12 landfill extraction monitoring wells and 5 header isolation valves within the existing landfill.

Change Order No. 6: Costs in the amount of **$10,464.39** to install rip rap pads three outlet structures.

Change Order No. 7: As part of the Contractor's option to participate in the Diesel Fuel Adjustment Program specified in the Specifications, the difference in fuel costs from the baseline price established at bid time amounted **$725,442.12** for the difference in diesel fuel costs from the baseline price established at bid time. Diesel fuel costs during the duration of the project were higher than the baseline bid.

Change Order No. 8: Costs in the amount of **$106,393.50** to stabilize a cut/fill transition by constructing a buttress as recommended by on-site geotechnical engineer.

Change Order No. 9: Costs to in the amount **$10,428.84** to remediate an ancient landslide.

Change Order No. 10: Costs in the amount of **$191,300.00** to install a 36-inch diameter reinforced concrete pipe in a steep slope as part of the storm drain revisions.

Change Order No. 11: Costs in the amount of **$112,521.96** to install a 54-inch reinforced concrete pipe not part of the original contract.

In addition to the above-noted change orders and as construction continued, additional work was incurred due to unforeseen and/or changed conditions or work items added under plan revisions.

As of May 7, 2018 the Agency Engineer has reviewed the following change orders for completeness and accuracy as to the materials and labor included:

Change Order No. 3: The Contractor previously submitted Change Order Request No.3 for additional costs incurred for excessive rock encountered during mass grading. The Contractor claims this excessive rock impacted their production and increased their costs

due to rock handling. The Contractor stated that they could not have reasonably anticipated these change conditions during the bidding process. Staff originally denied their request. Since then, Staff has reconsidered the merits of the Contractor's claim based on additional data received and reviewed. Below is a summary of correspondence between the Contractor and Staff;

- **Letter dated July 12, 2017**, from the Contractor, notified the Agency that the subsurface site conditions encountered were not consistent with the bid documents and it was affecting all mass excavation and building pad over-excavation due to an abundance of hard rock requiring additional support equipment.

- **Letter dated July 28, 2017,** the Contractor submitted a change order request in the amount of $5,271,616.79 as a rock excavation premium which includes rock handling, lost production and tire damage. The total cubic yards impacted was based on 6,404,000 cubic yards.

- **Letter dated October 4, 2017,** the Agency responded by stating that based on the bid documents and the geotechnical report there was sufficient data available at the time of the bid and disagree with the claim of differing site conditions.

- **Letter dated October 11, 2017**, the Contractor submitted a letter which serves as notice of potential claim and would be proceeding with the work as disputed work. This notice is in response to the Agency's letter.

- **Letter dated February 6, 2018**, the Contractor submitted their final rock excavation premium costs in the amount of $1,233,836.58 which impacted a total of 1,959,306 cubic yards impacted. These revised costs do not include costs for tire damage.

- **Letter dated May 4, 2018**, the Contractor submitted a revised cost in the amount of $1,039,033.70 for the rock excavation premium costs.

In an attempt to resolve this issue, Staff reviewed the additional information provided by the Contractor to determine whether or not there was some justification to their claim. Originally, Staff's denial of this claim was based on boring logs included in the geotechnical report. The Contractor submitted a copy (see attached Exhibit A of their cut/fill map and overlaid the locations of the actual borings shown in the geotechnical report. The cut/fill map was divided into three (3) cut areas, Cut 4, Cut 5 and Cut 6 where an abundance of hard rock was encountered.

This map disclosed that there were no borings in Cuts 4 or 6. The borings in Cut 5 show that the hard rock was mainly in the upper 30 feet of the cut. However, the upper 30 feet

was previously removed under a separate contract. In addition, geotechnical consultants normally don't bore in cut areas. However, these boring were performed when the stadium project was in the planning stage. In review of the information submitted, Staff has reconsidered the original denial of this claim and finds that there is merit to their claim.

It is Staff's determination, that the Contractor could not have reasonably anticipated the abundance of hard rock and cemented sandstone boulders. The Contractor expected to encounter some cemented layers of siltstone and sandstone during the bidding process, however, they did not anticipate an over-abundance of hard rock and hard cemented sandstone boulders.

The costs submitted by the Contractor are as follows:

- Additional rock handling support $582,078.59
- Lost Production Premium $456,955.11

The additional rock handling support was documented and quantified by daily extra work tickets in which the equipment and hours were agreed upon. The geotechnical inspector documented the additional equipment required for rock handling. When hard rock and boulders were encountered they were stockpiled and then had to be broken into smaller pieces with a breaker. There is a bid item for the cost of the breaker at a daily rate and those cost increases will be reflected in the final bid quantities. The larger rocks were pushed to the fill areas with dozers and placed in windrows. Smaller and manageable rocks were moved by scrapers.

The Contractor experienced a loss in production when they could not use scrapers efficiently. Placing larger and even smaller rocks in windrows effectively reduced the cycle times of scrapers. The Contractor submitted comparisons of equipment and hours used without the rock impact and with the rock impact. The Contractor also reduced the speed of the operation in order to minimize the tire damage to their scrapers. The total impacted material is 1,959,306 cubic yards.

Therefore, based on analysis of the claim, Staff recommends approving the cost for rock excavation in the amount of $1,039,033.70.

Change Order No. 12: Contractor was directed to place hydromulch on the new slope on the eastside of Grand Avenue in lieu of placing 3-inch thick wood mulch. The cost to hydromulch this area is $13,238.50. A credit in the amount of $344,960.00 for the deletion of the wood mulch will be reflected in the final bid quantities.

Change Order No. 13: Storm drain plan revisions were issued to the Contractor. Per the revision, a total of 32 manholes increased in length. The Contractor incurred additional costs to construct these lengthened manholes which required additional concrete and labor to complete. The Contractor submitted costs in the amount to $30,869.48.

Change Order No. 14: City Staff received various complaints regarding tumbleweeds getting into residents yards in the City of Diamond Bar that abut the Industry Business Center Development property. The Contractor was asked to clear brush and provide weed abatement. Cost is $7,222.87.

Change Order No. 15: Contractor was asked to adjust two existing manholes on the access road. Cost is $1,000.00.

Change Order No. 16: A landfill gas treatment facility was constructed under a previous project and includes a condensate tank. The liquids in the tank are required to be removed to the off-site on a semi-annual basis. The Contractor was asked remove these liquids and transport them to the Pomona Water Work Reclamation Facility. Cost is $1,098.46.

Fiscal Impact:

Table 1 – Summary of Extra Work Costs

Contract (Sukut Construction) minus contingency amount of $5,500,000.00	$24,737,655.00
Change Order No.1	Superseded by CO No. 5
Change Order No. 2, 4 -11	$1,363,326.39
Change Order No. 3	$1,039,033.70
Change Order No. 12	$13,238.50
Change Order No. 13	$30,869.48
Change Order No. 14	$7,222.87
Change Order No. 15	$1,000.00
Change Order No. 16	$1,098.46
Total Project Cost	**$27,193,444.40**

The current revised contract amount, excluding contingency is $27,193,444.40. The total change order amount is $2,455,789.40 which is 8.12% of the original contract amount. No additional appropriations are necessary at this time.

Recommendation:

1.) Approve Change Order Nos. 3, 12 through 16 in the amount of $1,092,463.01; and

2.) Authorize the Executive Director or his designee to execute the approved change orders.

Exhibits:

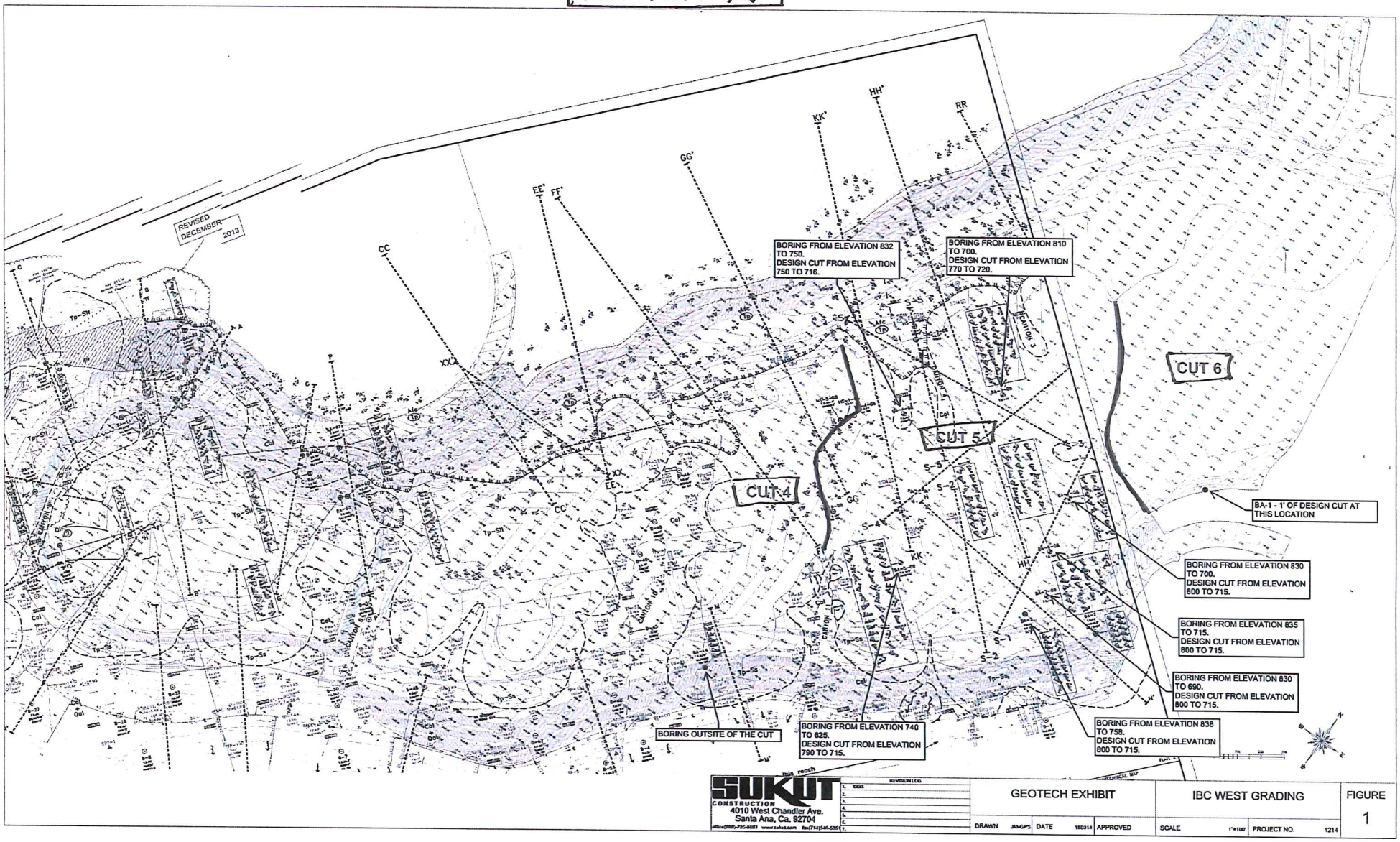
A. Sukut Cut/Fill Map and Boring Locations
B Sukut Construction Change Order Nos., 3, 12, 13, 14, 15, and 16 dated June 14, 2018

TH/JN/GP:gp

EXHIBIT A

Sukut Cut/Fill Map and Boring Locations
[Attached]

EXHIBIT A



REVISED DECEMBER 2013
CC
EE'
FF'
GG'
KK'
HH'
RR
BORING FROM ELEVATION 832 TO 750. DESIGN CUT FROM ELEVATION 750 TO 716.
BORING FROM ELEVATION 810 TO 700. DESIGN CUT FROM ELEVATION 770 TO 720.
CUT 6
CUT 5
CUT 4
BA-1 - 1' OF DESIGN CUT AT THIS LOCATION
BORING FROM ELEVATION 830 TO 700. DESIGN CUT FROM ELEVATION 800 TO 715.
BORING FROM ELEVATION 835 TO 715. DESIGN CUT FROM ELEVATION 800 TO 715.
BORING FROM ELEVATION 830 TO 690. DESIGN CUT FROM ELEVATION 800 TO 715.
BORING FROM ELEVATION 838 TO 758. DESIGN CUT FROM ELEVATION 800 TO 715.
BORING OUTSITE OF THE CUT
BORING FROM ELEVATION 740 TO 625. DESIGN CUT FROM ELEVATION 790 TO 715.
this reach
SUKUT CONSTRUCTION
4010 West Chandler Ave.
Santa Ana, Ca. 92704
REVISION LOG
GEOTECH EXHIBIT
IBC WEST GRADING
FIGURE 1
DRAWN JM-GPS
DATE 180314
APPROVED
SCALE 1"=100'
PROJECT NO. 1214

EXHIBIT B

Sukut Construction Change Order Nos. 3, 12, 13, 14, 15, and 16 dated June 14, 2018

[Attached]

CITY OF INDUSTRY

15625 E. Stafford St.
City of Industry, CA 91744
(626)333-2211

CHANGE ORDER

Change Order No. 3

Project Industry Business Center, Phase 2
Mass Grading, Middle West Side

Contract No. IBC-0381R

Date ~~5/24/2018~~ 06/14/2018

Type Project Mass Grading/Storm Drain

Contractor Sukut Construction

Location City of Industry

Explanation:

Costs incurred due encountering excess hard rock which includes rock handling and loss in production.

Total impacted material is 1,959,306 cubic yards

Extra Work by: _____ Contract Items | x Negotiated | _____ T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS ($) +	TOTALS ($) -
1	Rock Handling	1	LS	$ 582,078.59	
2	Loss In Production Premium	1	LS	$ 456,955.11	
			TOTAL COST	**$1,039,033.70**	

T & M SUMMARY

*Labor Cost	+ 20%	Total Labor
*Equipment Cost	+ 15%	Total Equipment
*Material Cost	+ 15%	Total Materials
(*Attach breakdown of labor, equipment and materials)		Sub-Total
CHANGE ORDER SUMMARY	% of Contract Amount	Other Additive
Original Contract Amount	$30,237,655.00	Total T & M
Total Previous Change Orders	$ 1,363,326.39 4.51%	
Total Change Orders	$ 2,402,360.09 7.94%	**Pay This CHANGE ORDER** **$1,039,033.70** 3.44%

Authorized by_____ Additional Working Days 30

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

5/7/18
Contractor Representative — Date

5/10/18
Joshua Nelson - Contract Agency Engineer — Date

Troy Helling - Acting Executive Director — Date

5.9.18
Gerardo Perez, Project Manager — Date

C.O. # 3

SC COR Number:	**3.2**
SC Job Number:	**1214**

Date: 5/4/2018

Owner: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Streeet
City of Industry, CA 91744

Attn: Agency Engineer

Project: IBC Phase 2 Mass Grading, Middle West Side - 0381R

Subject: COR 3.2 - Rock Excavation Premium

Please see the following breakdown of change order request number 3.2

Item:	Description:	Qty:	Unit:	Price:	Total:
1.0	Additional Rock Handling Support	1	LS	$ 582,078.59	$ 582,078.59
2.0	Lost Production Premium	1	LS	$ 456,955.11	$ 456,955.11
				Total Amount this Request:	**$ 1,039,033.70**

This change order request includes all added labor, equipment, and material costs associated with the handling of unanticipated rock that was encountered in the onsite excavations. This request supersedes and replaces COR 3.1 entirely. The costs represented in this change order for additional rock handling support include extra work tickets documenting actual hours worked acknowledged by the onsite inspector. Costs represented in this change order for lost production premium are based on actual production data for excavation from cuts 4, 5, and 6 comparing the unit costs during days of average production against those days of reduced production when rock encountered slowed productions. Based on actual production data, a total of 1,959,306 CY of mass excavation was impacted by rock material. Summaries for additional rock handling support and lost production premium are included for review.

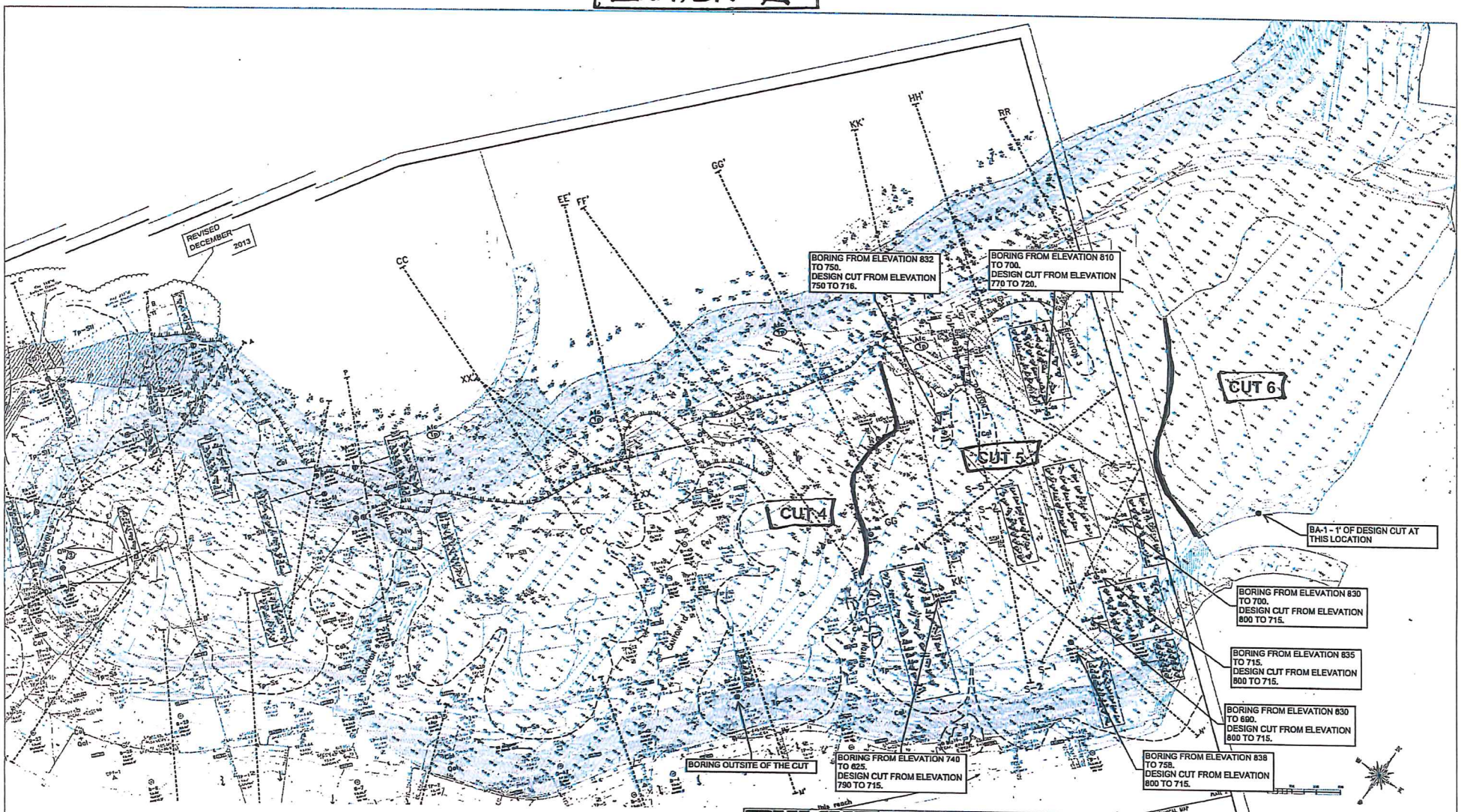
Thank you,

Bryan Nesthus

Sukut Construction

SUKUT CONSTRUCTION, LLC
4010 W. Chandler Avenue □ Santa Ana, CA 92704-5202
Tel: 714.540.5351 □ Fax: 714.545.2438 □ www.sukut.com
Contractor's License No. 985106

EXHIBIT A



SUKUT CONSTRUCTION
4010 West Chandler Ave.
Santa Ana, Ca. 92704

GEOTECH EXHIBIT	IBC WEST GRADING	FIGURE 1			
DRAWN JM-GPS	DATE 180314	APPROVED	SCALE 1"=100'	PROJECT NO. 1214	

ADDITIONAL ROCK HANDLING SUPPORT SUMMARY

NUMBER	DATE	TICKET		TOTAL
1	5/8/17 - 5/12/17	86188	$	7,398.20
2	5/15/17-5/19/17	83170	$	7,891.41
3	5/22/17-5/26/17	83171	$	5,425.35
4	5/30/2018	82849	$	1,451.20
5	6/5/2017	83172	$	1,546.35
6	6/6/2017	83144	$	1,159.76
7	6/7/2017	83145	$	1,159.76
8	6/12/2017	83150	$	1,546.35
9	6/13/2017	82850	$	1,972.85
10	6/14/2017	60890	$	3,829.88
11	6/15/2017	82856		
12	6/16/2017	82853	$	6,918.37
13	6/19/2017	83156	$	7,873.99
14	6/20/2017	83158	$	7,014.55
15	6/21/2017	73841	$	8,553.21
16	6/23/2017	73593	$	5,605.23
17	6/26/2017	83178	$	9,102.46
18	6/27/2017	73594	$	10,039.40
19	6/28/2017	73555	$	10,363.87
20	6/29/2017	73554	$	10,594.15
21	6/30/2017	73557	$	2,820.32
22	7/5/2017	73556	$	5,163.77
23	7/6/2017	73558	$	10,867.17
24	7/7/2017	73562	$	4,218.62
25	7/10/2017	73561	$	5,125.58
26	7/11/2017	73564	$	5,618.79
27	7/12/2017	73565	$	3,645.94
28	7/14/2017	60892	$	5,484.96
29	7/17/2017	60893	$	3,645.94
30	7/18/2017	60894	$	2,976.76
31	7/19/2017	60897	$	3,963.19
32	7/20/2017	60896	$	4,218.62
33	7/21/2017	60898	$	6,112.00
34	7/24/2017	60891	$	8,157.54
35	7/25/2017	60899	$	3,601.62
36	7/26/2017	60900	$	5,710.50
37	7/27/2017	60901	$	5,618.79
38	7/28/2017	60903	$	5,484.96
39	7/31/2017	73566	$	4,949.62
40	8/1/2017	73786	$	6,818.17
41	8/2/2017	73567	$	5,865.79
42	8/3/2017	82862	$	4,843.98
43	8/3/2017	82862	$	6,907.73
44	8/7/2017	82865	$	3,655.30
45	8/8/2017	82860	$	2,359.76
46	8/9/2017	82866	$	7,023.96
47	8/10/2017	82867	$	6,926.94
48	8/11/2017	82868	$	4,317.37

49	8/14/2017	82869	$	5,279.27
50	8/15/2017	82872	$	6,287.97
51	8/16/2017	82873	$	4,855.72
52	8/17/2017	73842	$	7,485.50
53	8/18/2017	73843	$	8,738.85
54	8/21/2017	73844	$	5,512.65
55	8/22/2017	73854	$	5,484.96
56	8/23/2017	82859	$	4,734.12
57	8/28/2017	73846	$	9,775.00
58	8/29/2017	73847	$	4,599.70
59	8/30/2017	73848	$	7,576.46
60	9/1/2017	73850	$	5,378.82
61	9/6/2017	73851	$	6,766.00
62	9/7/2017	73852	$	7,435.17
63	9/8/2017	73853	$	6,096.82
64	9/11/2017	73438	$	6,766.00
65	9/12/2017	73437		
66	9/13/2017	73436	$	6,096.82
67	9/14/2017	73435	$	6,096.82
68	9/15/2017	73434	$	6,096.82
69	9/18/2017	73600		
70	9/19/2017	73599	$	8,562.89
71	9/20/2017	73589	$	9,586.01
72	9/21/2017	73590	$	8,949.66
73	9/22/2017	73591	$	8,713.71
74	9/25/2017	73592	$	9,959.85
75	9/26/2017	83148	$	8,457.94
76	9/27/2017	83149	$	4,889.88
77	9/29/2017	83147	$	13,388.64
78	10/2/2017	83160	$	9,959.85
79	10/3/2017	83163	$	7,643.17
80	10/4/2017	83159	$	11,547.54
81	10/5/2017	72225	$	10,109.24
82	10/6/2017	72224	$	8,231.04
83	10/9/2017	72223	$	3,632.61
84	10/11/2017	72222	$	2,359.76
85	10/13/2017	72220	$	1,179.88
86	10/16/2017	72219	$	2,319.53
87	10/17/2017	72218	$	6,086.30
88	10/18/2017	73441	$	4,523.11
89	10/19/2017	73440	$	4,523.11
90	10/20/2017	73792	$	4,315.11
91	10/23/2017	73793	$	2,976.76
92	10/24/2017	73794	$	2,359.76
93	10/25/2017	73795	$	2,976.76
94	10/26/2017	73796	$	2,976.76
95	10/27/2017	73797	$	8,330.21
96	10/30/2017	73798	$	4,315.11
97	10/31/2017	73439	$	2,359.76
98	11/1/17-11/3/17	73596	$	11,171.73
99	11/6/17-11/10/17	72226	$	11,980.13
100	11/13/17-11/15/17	73597	$	5,899.41
101	11/21/2017	86187	$	1,179.88
			$	**582,078.59**

LOST PRODUCTION SUMMARY

CUT	TOTAL QTY	PREMIUM		TOTAL	
4	279,600	$	0.29	$	81,526.27
5	1,205,418	$	0.20	$	244,827.23
6	474,288	$	0.28	$	130,601.61
	1,959,306	**$**	**0.23**	**$**	**456,955.11**

CHANGE ORDER REQUEST

IBC 0381R

CHANGE ORDER REQUEST NUMBER:	3.1	SUKUT COR WORKSHEET NUMBER	
DATE WORK COMPLETED		SUKUT JOB NUMBER	1214

DESCRIPTION OF WORK	AVERAGE DAILY PRODUCTION FROM CUT 4	

EQUIPMENT								
MODEL	QTY	HOURS	RATE	AMOUNT ST	HRS OT	RATE	AMOUNT OT	TOTAL AMOUNT
D10 DOZER	1.00	8.00	$ 392.33	$ 3,138.64	2	$ 345.25	$ 690.50	$ 3,829.14
D10 PUSH DOZER	4.00	8.00	$ 335.83	$ 10,746.56	2	$ 295.53	$ 2,364.24	$ 13,110.80
D9 DOZER			$ 286.76	$ -		$ 252.35	$ -	$ -
D8 DOZER			$ 211.39	$ -		$ 186.02	$ -	$ -
657 SCRAPER			$ 575.70	$ -		$ 506.62	$ -	$ -
651 SCRAPER	16.00	8.00	$ 368.36	$ 47,150.08	2	$ 324.16	$ 10,373.02	$ 57,523.10
824 COMPACTOR			$ 245.75	$ -		$ 213.80	$ -	$ -
834 COMPACTOR	1.00	8.00	$ 363.66	$ 2,909.28	2	$ 316.38	$ 632.77	$ 3,542.05
328 EXCAVATOR			$ 146.69	$ -		$ 124.69	$ -	$ -
349 EXCAVATOR			$ 208.36	$ -		$ 177.11	$ -	$ -
950 LOADER			$ 146.42	$ -		$ 131.78	$ -	$ -
966 LOADER			$ 196.05	$ -		$ 176.45	$ -	$ -
WATER TRUCK	4.00	8.00	$ 57.51	$ 1,840.32	2	$ 50.03	$ 400.27	$ 2,240.59
SUPER 10 DUMP TRUCK			$ 71.65	$ -		$ 60.90	$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
TOTAL EQUIPMENT COSTS								$ 80,245.68

LABOR								
JOB CLASSIFICATION	QTY	HOURS	RATE	AMOUNT ST	HRS OT	OT RATE	AMOUNT OT	TOTAL AMOUNT
FOREMAN	1.00	10.00	$ 117.00	$ 1,170.00	2.0	$ 34.00	$ 68.00	$ 1,238.00
GRADE CHECKER	1.00	10.00	$ 114.00	$ 1,140.00	2.0	$ 33.00	$ 66.00	$ 1,206.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 96.00	$ 3,840.00	2.0	$ 33.00	$ 264.00	$ 4,104.00
OPERATOR	16.00	10.00	$ 96.00	$ 15,360.00	2.0	$ 33.00	$ 1,056.00	$ 16,416.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 75.00	$ 3,000.00	2.0	$ 23.00	$ 184.00	$ 3,184.00
TOTAL LABOR COSTS								$ 28,200.00

MATERIAL LUMP SUM OR UNIT PRICE PAYMENTS						
DESCRIPTION			QTY	UM	UNIT COST	TOTAL
TOTAL MATERIAL COSTS						$ -

SUKUT SUBCONTRACTOR COSTS						
DESCRIPTION	INVOICE NO.	DATE	VENDOR	UNITS	UNIT COST	TOTAL
						$ -
						$ -
						$ -
TOTAL SUBCONTRACTOR COSTS						$ -

TOTAL COST SUMMARY, STANDARD MARK-UPS AND SUBCONTRACTOR MARK-UP				
DESCRIPTION	TOTAL COST	% MARK UP	AMOUNT MARK UP	TOTAL
TOTAL COST FOR EQUIPMENT	$ 80,245.68	0.00%	$ -	$ 80,245.68
TOTAL COST FOR LABORERS AND OPERATORS	$ 28,200.00	0.00%	$ -	$ 28,200.00
TOTAL TAX ON MATERIALS	$ -	9.50%	$ -	$ -
TOTAL COST FOR MATERIALS	$ -	0.00%	$ -	$ -
TOTAL COST FOR SUBCONTRACTOR	$ -	0.00%	$ -	$ -
TOTAL FOR THIS CHANGE ORDER				$ 108,445.68
BOND COST ADD (1% OF Total)				$ 1,084.46
GRAND TOTAL OF THIS CHANGE ORDER REQUEST				$ 109,530.14

AVERAGE DAILY PRODUCTION (CY/DAY)	37,846
UNIT COST BASED ON AVERAGE PRODUCTION ($/CY) $	2.89

CHANGE ORDER REQUEST

IBC 0381R

CHANGE ORDER REQUEST NUMBER:	3.1
DATE WORK COMPLETED	

SUKUT COR WORKSHEET NUMBER	
SUKUT JOB NUMBER	1214

DESCRIPTION OF WORK	REDUCED PRODUCTION CUT 4

EQUIPMENT								
MODEL	QTY	HOURS	RATE	AMOUNT ST	HRS OT	RATE	AMOUNT OT	TOTAL AMOUNT
D10 DOZER	1.00	8.00	$ 392.33	$ 3,138.64	2	$ 345.25	$ 690.50	$ 3,829.14
D10 PUSH DOZER	4.00	8.00	$ 335.83	$ 10,746.56	2	$ 295.53	$ 2,364.24	$ 13,110.80
D9 DOZER			$ 286.76	$ -		$ 252.35	$ -	$ -
D8 DOZER			$ 211.39	$ -		$ 186.02	$ -	$ -
657 SCRAPER			$ 575.70	$ -		$ 506.62	$ -	$ -
651 SCRAPER	16.00	8.00	$ 368.36	$ 47,150.08	2	$ 324.16	$ 10,373.02	$ 57,523.10
824 COMPACTOR			$ 245.75	$ -		$ 213.80	$ -	$ -
834 COMPACTOR	1.00	8.00	$ 363.66	$ 2,909.28	2	$ 316.38	$ 632.77	$ 3,542.05
328 EXCAVATOR			$ 146.69	$ -		$ 124.69	$ -	$ -
349 EXCAVATOR			$ 208.36	$ -		$ 177.11	$ -	$ -
950 LOADER			$ 146.42	$ -		$ 131.78	$ -	$ -
966 LOADER			$ 196.05	$ -		$ 176.45	$ -	$ -
WATER TRUCK	4.00	8.00	$ 57.51	$ 1,840.32	2	$ 50.03	$ 400.27	$ 2,240.59
SUPER 10 DUMP TRUCK			$ 71.65	$ -		$ 60.90	$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
TOTAL EQUIPMENT COSTS								$ 80,245.68

LABOR								
JOB CLASSIFICATION	QTY	HOURS	RATE	AMOUNT ST	HRS OT	OT RATE	AMOUNT OT	TOTAL AMOUNT
FOREMAN	1.00	10.00	$ 117.00	$ 1,170.00	2.0	$ 34.00	$ 68.00	$ 1,238.00
GRADE CHECKER	1.00	10.00	$ 114.00	$ 1,140.00	2.0	$ 33.00	$ 66.00	$ 1,206.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 96.00	$ 3,840.00	2.0	$ 33.00	$ 264.00	$ 4,104.00
OPERATOR	16.00	10.00	$ 96.00	$ 15,360.00	2.0	$ 33.00	$ 1,056.00	$ 16,416.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 75.00	$ 3,000.00	2.0	$ 23.00	$ 184.00	$ 3,184.00
TOTAL LABOR COSTS								$ 28,200.00

MATERIAL LUMP SUM OR UNIT PRICE PAYMENTS						
DESCRIPTION			QTY	UM	UNIT COST	TOTAL
TOTAL MATERIAL COSTS						$ -

SUKUT SUBCONTRACTOR COSTS						
DESCRIPTION	INVOICE NO.	DATE	VENDOR	UNITS	UNIT COST	TOTAL
						$ -
						$ -
						$ -
TOTAL SUBCONTRACTOR COSTS						$ -

TOTAL COST SUMMARY, STANDARD MARK-UPS AND SUBCONTRACTOR MARK-UP				
DESCRIPTION	TOTAL COST	% MARK UP	AMOUNT MARK UP	TOTAL
TOTAL COST FOR EQUIPMENT	$ 80,245.68	0.00%	$ -	$ 80,245.68
TOTAL COST FOR LABORERS AND OPERATORS	$ 28,200.00	0.00%	$ -	$ 28,200.00
TOTAL TAX ON MATERIALS	$ -	9.50%	$ -	$ -
TOTAL COST FOR MATERIALS	$ -	0.00%	$ -	$ -
TOTAL COST FOR SUBCONTRACTOR	$ -	0.00%	$ -	$ -
TOTAL FOR THIS CHANGE ORDER				$ 108,445.68
BOND COST ADD (1% OF Total)				$ 1,084.46
GRAND TOTAL OF THIS CHANGE ORDER REQUEST				$ 109,530.14

REDUCED DAILY PRODUCTION (CY/DAY)		34,382
UNIT COST BASED ON REDUCED PRODUCTION ($/CY)	$	3.19
LESS AVERAGE UNIT COST ($/CY)	$	2.89
LOST PRODUCTION PREMIUM ($/CY)	$	0.29
TOTAL IMPACTED QUANTITY		279,600
TOTAL LOST PRODUCTION	$	81,526.27

CUT 4 PRODUCTION DATA

DATE	LOAD COUNT	YIELD	DAILY PRODUCTION	HAUL DESCRIPTION
6/9/2017	1,222	28	34,220	C-4 + O/X'S TO F-2+REPLACEC-3 O/X
6/14/2017	1,224	28	34,260	C-4 + O/X'S TO F-2+REPLACEC-3 O/X
6/15/2017	1,400	28	39,200	C-4 + O/X'S TO F-2+REPLACEC-3 O/X
6/16/2017	1,148	28	32,144	C-4 + O/X'S TO F-2+REPLACEC-3 O/X
6/19/2017	1,302	28	36,456	C-4 + O/X'S TO F-2+REPLACEC-3 O/X
6/20/2017	1,306	28	36,568	C-4 TO F-2 +REPLACE C-3 O/X
6/21/2017	1,064	28	29,792	C-4 TO F-2 +REPLACE C-3 O/X
6/22/2017	1,445	28	40,460	C-4 TO F-2 +REPLACE C-3 O/X
6/23/2017	1,410	28	39,480	C-4 TO F-2 +REPLACE C-3 O/X
6/26/2017	1,330	28	37,240	C-4 TO F-2 +REPLACE C-3 O/X
7/12/2017	1,608	28	45,024	MASS EX (C-5 TO F-4)
7/13/2017	1,551	28	43,428	MASS EX (C-5 TO F-4)
9/6/2017	1,420	28	39,760	C-4 To F-2
10/24/2017	1,455	28	40,740	C-5 TO REPLACE C-4 OX
10/27/2017	1,390	28	38,920	OX C4 To F2

37,846.13 AVERAGE OF ALL DAYS (FULL, DOUBLE SPREAD)
40,876.50 HIGH AVERAGE (39K CY +)
34,382.86 LOW AVERGE (30K CY +)

279,600.00 TOTAL IMPACTED QUANTITY (CY)

CHANGE ORDER REQUEST

IBC 0381R

CHANGE ORDER REQUEST NUMBER:	3.1	SUKUT COR WORKSHEET NUMBER	
DATE WORK COMPLETED		SUKUT JOB NUMBER	1214

DESCRIPTION OF WORK	AVERAGE DAILY PRODUCTION FROM CUT 5	

EQUIPMENT								
MODEL	QTY	HOURS	RATE	AMOUNT ST	HRS OT	RATE	AMOUNT OT	TOTAL AMOUNT
D10 DOZER	1.00	8.00	$ 392.33	$ 3,138.64	2	$ 345.25	$ 690.50	$ 3,829.14
D10 PUSH DOZER	4.00	8.00	$ 335.83	$ 10,746.56	2	$ 295.53	$ 2,364.24	$ 13,110.80
D9 DOZER			$ 286.76	$ -		$ 252.35	$ -	$ -
D8 DOZER			$ 211.39	$ -		$ 186.02	$ -	$ -
657 SCRAPER			$ 575.70	$ -		$ 506.62	$ -	$ -
651 SCRAPER	16.00	8.00	$ 368.36	$ 47,150.08	2	$ 324.16	$ 10,373.02	$ 57,523.10
824 COMPACTOR			$ 245.75	$ -		$ 213.80	$ -	$ -
834 COMPACTOR	1.00	8.00	$ 363.66	$ 2,909.28	2	$ 316.38	$ 632.77	$ 3,542.05
328 EXCAVATOR			$ 146.69	$ -		$ 124.69	$ -	$ -
349 EXCAVATOR			$ 208.36	$ -		$ 177.11	$ -	$ -
950 LOADER			$ 146.42	$ -		$ 131.78	$ -	$ -
966 LOADER			$ 196.05	$ -		$ 176.45	$ -	$ -
WATER TRUCK	4.00	8.00	$ 57.51	$ 1,840.32	2	$ 50.03	$ 400.27	$ 2,240.59
SUPER 10 DUMP TRUCK			$ 71.65	$ -		$ 60.90	$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
TOTAL EQUIPMENT COSTS								$ 80,245.68

LABOR								
JOB CLASSIFICATION	QTY	HOURS	RATE	AMOUNT ST	HRS OT	OT RATE	AMOUNT OT	TOTAL AMOUNT
FOREMAN	1.00	10.00	$ 117.00	$ 1,170.00	2.0	$ 34.00	$ 68.00	$ 1,238.00
GRADE CHECKER	1.00	10.00	$ 114.00	$ 1,140.00	2.0	$ 33.00	$ 66.00	$ 1,206.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 96.00	$ 3,840.00	2.0	$ 33.00	$ 264.00	$ 4,104.00
OPERATOR	16.00	10.00	$ 96.00	$ 15,360.00	2.0	$ 33.00	$ 1,056.00	$ 16,416.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 75.00	$ 3,000.00	2.0	$ 23.00	$ 184.00	$ 3,184.00
TOTAL LABOR COSTS								$ 28,200.00

MATERIAL LUMP SUM OR UNIT PRICE PAYMENTS						
DESCRIPTION			QTY	UM	UNIT COST	TOTAL
TOTAL MATERIAL COSTS						$ -

SUKUT SUBCONTRACTOR COSTS						
DESCRIPTION	INVOICE NO.	DATE	VENDOR	UNITS	UNIT COST	TOTAL
						$ -
						$ -
						$ -
TOTAL SUBCONTRACTOR COSTS						$ -

TOTAL COST SUMMARY, STANDARD MARK-UPS AND SUBCONTRACTOR MARK-UP				
DESCRIPTION	TOTAL COST	% MARK UP	AMOUNT MARK UP	TOTAL
TOTAL COST FOR EQUIPMENT	$ 80,245.68	0.00%	$ -	$ 80,245.68
TOTAL COST FOR LABORERS AND OPERATORS	$ 28,200.00	0.00%	$ -	$ 28,200.00
TOTAL TAX ON MATERIALS	$ -	9.50%	$ -	$ -
TOTAL COST FOR MATERIALS	$ -	0.00%	$ -	$ -
TOTAL COST FOR SUBCONTRACTOR	$ -	0.00%	$ -	$ -
TOTAL FOR THIS CHANGE ORDER				$ 108,445.68
BOND COST ADD (1% OF Total)				$ 1,084.46
GRAND TOTAL OF THIS CHANGE ORDER REQUEST				$ 109,530.14

AVERAGE DAILY PRODUCTION (CY/DAY) 39,182

UNIT COST BASED ON AVERAGE PRODUCTION ($/CY) $ 2.80

CHANGE ORDER REQUEST

IBC 0381R

CHANGE ORDER REQUEST NUMBER:	3.1
DATE WORK COMPLETED	

SUKUT COR WORKSHEET NUMBER	
SUKUT JOB NUMBER	1214

DESCRIPTION OF WORK	REDUCED PRODUCTION FROM CUT 5

EQUIPMENT								
MODEL	QTY	HOURS	RATE	AMOUNT ST	HRS OT	RATE	AMOUNT OT	TOTAL AMOUNT
D10 DOZER	1.00	8.00	$ 392.33	$ 3,138.64	2	$ 345.25	$ 690.50	$ 3,829.14
D10 PUSH DOZER	4.00	8.00	$ 335.83	$ 10,746.56	2	$ 295.53	$ 2,364.24	$ 13,110.80
D9 DOZER			$ 286.76	$ -		$ 252.35	$ -	$ -
D8 DOZER			$ 211.39	$ -		$ 186.02	$ -	$ -
657 SCRAPER			$ 575.70	$ -		$ 506.62	$ -	$ -
651 SCRAPER	16.00	8.00	$ 368.36	$ 47,150.08	2	$ 324.16	$ 10,373.02	$ 57,523.10
824 COMPACTOR			$ 245.75	$ -		$ 213.80	$ -	$ -
834 COMPACTOR	1.00	8.00	$ 363.66	$ 2,909.28	2	$ 316.38	$ 632.77	$ 3,542.05
328 EXCAVATOR			$ 146.69	$ -		$ 124.69	$ -	$ -
349 EXCAVATOR			$ 208.36	$ -		$ 177.11	$ -	$ -
950 LOADER			$ 146.42	$ -		$ 131.78	$ -	$ -
966 LOADER			$ 196.05	$ -		$ 176.45	$ -	$ -
WATER TRUCK	4.00	8.00	$ 57.51	$ 1,840.32	2	$ 50.03	$ 400.27	$ 2,240.59
SUPER 10 DUMP TRUCK			$ 71.65	$ -		$ 60.90	$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
TOTAL EQUIPMENT COSTS								$ 80,245.68

LABOR								
JOB CLASSIFICATION	QTY	HOURS	RATE	AMOUNT ST	HRS OT	OT RATE	AMOUNT OT	TOTAL AMOUNT
FOREMAN	1.00	10.00	$ 117.00	$ 1,170.00	2.0	$ 34.00	$ 68.00	$ 1,238.00
GRADE CHECKER	1.00	10.00	$ 114.00	$ 1,140.00	2.0	$ 33.00	$ 66.00	$ 1,206.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 96.00	$ 3,840.00	2.0	$ 33.00	$ 264.00	$ 4,104.00
OPERATOR	16.00	10.00	$ 96.00	$ 15,360.00	2.0	$ 33.00	$ 1,056.00	$ 16,416.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	4.00	10.00	$ 75.00	$ 3,000.00	2.0	$ 23.00	$ 184.00	$ 3,184.00
TOTAL LABOR COSTS								$ 28,200.00

MATERIAL LUMP SUM OR UNIT PRICE PAYMENTS						
DESCRIPTION			QTY	UM	UNIT COST	TOTAL
TOTAL MATERIAL COSTS						$ -

SUKUT SUBCONTRACTOR COSTS						
DESCRIPTION	INVOICE NO.	DATE	VENDOR	UNITS	UNIT COST	TOTAL
						$ -
						$ -
						$ -
TOTAL SUBCONTRACTOR COSTS						$ -

TOTAL COST SUMMARY, STANDARD MARK-UPS AND SUBCONTRACTOR MARK-UP				
DESCRIPTION	TOTAL COST	% MARK UP	AMOUNT MARK UP	TOTAL
TOTAL COST FOR EQUIPMENT	$ 80,245.68	0.00%	$ -	$ 80,245.68
TOTAL COST FOR LABORERS AND OPERATORS	$ 28,200.00	0.00%	$ -	$ 28,200.00
TOTAL TAX ON MATERIALS	$ -	9.50%	$ -	$ -
TOTAL COST FOR MATERIALS	$ -	0.00%	$ -	$ -
TOTAL COST FOR SUBCONTRACTOR	$ -	0.00%	$ -	$ -
TOTAL FOR THIS CHANGE ORDER				$ 108,445.68
BOND COST ADD (1% OF Total)				$ 1,084.46
GRAND TOTAL OF THIS CHANGE ORDER REQUEST				$ 109,530.14

REDUCED DAILY PRODUCTION (CY/DAY)		36,528
UNIT COST BASED ON REDUCED PRODUCTION ($/CY)	$	3.00
LESS AVERAGE UNIT COST ($/CY)	$	2.80
LOST PRODUCTION PREMIUM ($/CY)	$	0.20
TOTAL IMPACTED QUANTITY		1,205,418
TOTAL LOST PRODUCTION	$	244,827.23

CUT 5 PRODUCTION DATA

DATE	LOAD COUNT	YIELD	DAILY PRODUCTION	HAUL DESCRIPTION
6/27/2017	1,389	28	38,880	C-5 TO F-2 MASS EX.
6/28/2017	1,432	28	40,096	C-5 TO F-2 MASS EX.
6/29/2017	1,432	28	40,096	C-5 TO F-2 MASS EX.
6/30/2017	868	28	24,304	C-5 TO F-2 MASS EX.
7/5/2017	1,332	28	37,296	C-5 TO F-2 MASS EX.
7/6/2017	1,430	28	40,040	C-5 TO F-2 MASS EX.
7/7/2017	1,332	28	37,296	C-5 TO F-2 MASS EX.
7/10/2017	1,625	28	45,500	MASS EX (C-5 TO F-2)
7/11/2017	1,555	28	43,540	MASS EX (C-5 TO F-2)
7/12/2017	1,608	28	45,024	MASS EX (C-5 TO F-4)
7/13/2017	1,551	28	43,428	MASS EX (C-5 TO F-4)
7/14/2017	1,575	28	44,100	MASS EX (C-5 TO F-2)
7/17/2017	1,408	28	39,424	C-5 To F-1
7/18/2017	1,512	28	42,336	C-5 To F-1
7/19/2017	1,542	28	43,176	C-5 To F-1
7/20/2017	1,575	28	44,100	C-5 To F-1
7/21/2017	1,500	28	42,000	C-5 To F-1
7/24/2017	1,454	28	40,712	C-5 To F-1
7/25/2017	1,137	28	31,836	C-5 To F-1
7/26/2017	1,585	28	44,380	C-5 To F-1
7/27/2017	1,260	28	35,280	C-5 To F-1
7/28/2017	1,405	28	39,340	C-5 To F-1
7/28/2017	1,405	28	39,340	C-5 To F-1
7/31/2017	1,380	28	38,640	C-5 To F-1
7/31/2017	1,380	28	38,640	C-5 To F-1
8/1/2017	1,440	28	40,320	C-5 To F-1
8/1/2017	1,408	28	39,424	C-5 To F-1
8/2/2017	1,408	28	39,424	C-5 To F-1
8/3/2017	1,440	28	40,320	C-5 To F-1
8/4/2017	1,305	28	36,540	C-5 To F-1
8/7/2017	1,288	28	36,064	C-5 To F-1
8/8/2017	1,304	28	36,512	C-5 To F-1
8/9/2017	1,380	28	38,640	C-5 To F-1
8/10/2017	1,164	28	32,592	C-5 To F-1
8/11/2017	1,235	28	34,580	C-5 To F-1
8/14/2017	1,321	28	36,988	C-5 To F-1
8/15/2017	1,325	28	37,100	C-5 To F-1
8/17/2017	1,410	28	39,480	C-5 To F-1
8/18/2017	1,328	28	37,184	C-5 To F-1
8/21/2017	1,350	28	37,800	C-5 To F-1
8/22/2017	1,428	28	39,990	C-5 To F-1

8/23/2017	1,425	28	39,900	C-5 To F-1
8/24/2017	1,316	28	36,848	C-5 To F-1
8/25/2017	1,472	28	41,216	C-5 To F-1
8/28/2017	1,312	28	36,736	C-5 To F-1
8/29/2017	1,372	28	38,416	C-5 To F-1
8/30/2017	1,143	28	32,006	C-5 To F-1
8/31/2017	1,260	28	35,280	C-5 To F-2
9/1/2017	1,176	28	32,928	C-5 To F-2
9/5/2017	1,375	28	38,500	C-5 To F-2
9/7/2017	1,400	28	39,200	C-5 To F-2
9/8/2017	1,430	28	40,040	C-5 To F-2
9/11/2017	1,442	28	40,376	C-5 To F-2
9/12/2017	1,425	28	39,900	C-5 To F-2
9/13/2017	1,405	28	39,340	C-5 To F-2
9/14/2017	1,428	28	39,984	C-5 To F-2
9/14/2017	1,428	28	39,984	C-5 To F-3
9/15/2017	1,428	28	39,984	C-5 To F-3
9/18/2017	1,505	28	42,140	C-5 To F-3
9/19/2017	1,470	28	41,160	C-5 To F-3
9/21/2017	1,160	28	32,480	C-5 To F-3
9/22/2017	1,378	28	38,584	C-5 To F-3
9/25/2017	1,326	28	37,128	C-5 To F-3
9/26/2017	1,428	28	39,984	C-5 To F-3
9/28/2017	1,384	28	38,752	C-5 To F-3
9/28/2017	1,470	28	41,160	C-5 To F-3
9/29/2017	1,489	28	41,692	C-5 To F-3
10/2/2017	1,359	28	38,052	C-5 To F-3
10/3/2017	1,456	28	40,768	C-5 To F-3
10/4/2017	1,430	28	40,040	C-5 To F-3
10/5/2017	1,590	28	44,520	C-5 To F-3
10/6/2017	1,385	28	38,780	C-5 OX To F-5
10/10/2017	1,435	28	40,180	C-5 OX To F-5
10/11/2017	1,184	28	33,152	C-5 OX To F-5
10/11/2017	770	28	21,560	C-6 To Replace C-5 OX
10/12/2017	1,427	28	39,956	C-5 OX To F-5
10/13/2017	1,320	28	36,960	C-5 OX To F-5
10/16/2017	1,391	28	38,948	C-5 OX To F-5
10/18/2017	1,407	28	39,396	C-5 To F-3
10/19/2017	1,524	28	42,672	OX C-5 Flip-Flop (P)
10/24/2017	1,455	28	40,740	C-5 TO REPLACE C-4 OX

39,181.52	AVERAGE OF ALL DAYS (FULL, DOUBLE SPREAD)
41,085.26	HIGH AVERAGE (39K CY +)
36,527.82	LOW AVERGE (30K CY +)
1,205,418.00	TOTAL IMPACTED QUANTITY (CY)

CHANGE ORDER REQUEST

IBC 0381R

CHANGE ORDER REQUEST NUMBER:	3.1	SUKUT COR WORKSHEET NUMBER	
DATE WORK COMPLETED		SUKUT JOB NUMBER	1214

DESCRIPTION OF WORK	AVERAGE DAILY PRODUCTION FROM CUT 6

EQUIPMENT								
MODEL	QTY	HOURS	RATE	AMOUNT ST	HRS OT	RATE	AMOUNT OT	TOTAL AMOUNT
D10 DOZER	1.00	8.00	$ 392.33	$ 3,138.64	2	$ 345.25	$ 690.50	$ 3,829.14
D10 PUSH DOZER			$ 335.83	$ -		$ 295.53	$ -	$ -
D9 DOZER			$ 286.76	$ -		$ 252.35	$ -	$ -
D8 DOZER			$ 211.39	$ -		$ 186.02	$ -	$ -
657 SCRAPER	6.00	8.00	$ 575.70	$ 27,633.60	2	$ 506.62	$ 6,079.39	$ 33,712.99
651 SCRAPER			$ 368.36	$ -		$ 324.16	$ -	$ -
824 COMPACTOR			$ 245.75	$ -		$ 213.80	$ -	$ -
834 COMPACTOR	1.00	8.00	$ 363.66	$ 2,909.28	2	$ 316.38	$ 632.77	$ 3,542.05
328 EXCAVATOR			$ 146.69	$ -		$ 124.69	$ -	$ -
349 EXCAVATOR			$ 208.36	$ -		$ 177.11	$ -	$ -
950 LOADER			$ 146.42	$ -		$ 131.78	$ -	$ -
966 LOADER			$ 196.05	$ -		$ 176.45	$ -	$ -
WATER TRUCK	2.00	8.00	$ 57.51	$ 920.16	2	$ 50.03	$ 200.13	$ 1,120.29
SUPER 10 DUMP TRUCK			$ 71.65	$ -		$ 60.90	$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
TOTAL EQUIPMENT COSTS								$ 42,204.48

LABOR								
JOB CLASSIFICATION	QTY	HOURS	RATE	AMOUNT ST	HRS OT	OT RATE	AMOUNT OT	TOTAL AMOUNT
FOREMAN	1.00	10.00	$ 117.00	$ 1,170.00	2.0	$ 34.00	$ 68.00	$ 1,238.00
GRADE CHECKER	1.00	10.00	$ 114.00	$ 1,140.00	2.0	$ 33.00	$ 66.00	$ 1,206.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	6.00	10.00	$ 96.00	$ 5,760.00	2.0	$ 33.00	$ 396.00	$ 6,156.00
OPERATOR	-		$ 96.00	$ -		$ 33.00	$ -	$ -
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	2.00	10.00	$ 75.00	$ 1,500.00	2.0	$ 23.00	$ 92.00	$ 1,592.00
TOTAL LABOR COSTS								$ 12,244.00

MATERIAL LUMP SUM OR UNIT PRICE PAYMENTS						
DESCRIPTION			QTY	UM	UNIT COST	TOTAL
TOTAL MATERIAL COSTS						$ -

SUKUT SUBCONTRACTOR COSTS						
DESCRIPTION	INVOICE NO.	DATE	VENDOR	UNITS	UNIT COST	TOTAL
						$ -
						$ -
						$ -
TOTAL SUBCONTRACTOR COSTS						$ -

TOTAL COST SUMMARY, STANDARD MARK-UPS AND SUBCONTRACTOR MARK-UP				
DESCRIPTION	TOTAL COST	% MARK UP	AMOUNT MARK UP	TOTAL
TOTAL COST FOR EQUIPMENT	$ 42,204.48	0.00%	$ -	$ 42,204.48
TOTAL COST FOR LABORERS AND OPERATORS	$ 12,244.00	0.00%	$ -	$ 12,244.00
TOTAL TAX ON MATERIALS	$ -	9.50%	$ -	$ -
TOTAL COST FOR MATERIALS	$ -	0.00%	$ -	$ -
TOTAL COST FOR SUBCONTRACTOR	$ -	0.00%	$ -	$ -
TOTAL FOR THIS CHANGE ORDER				$ 54,448.48
BOND COST ADD (1% OF Total)				$ 544.48
GRAND TOTAL OF THIS CHANGE ORDER REQUEST				$ 54,992.96

AVERAGE DAILY PRODUCTION (CY/DAY) 29,049

UNIT COST BASED ON AVERAGE PRODUCTION ($/CY) $ 1.89

CHANGE ORDER REQUEST

IBC 0381R

CHANGE ORDER REQUEST NUMBER:	3.1
DATE WORK COMPLETED	

SUKUT COR WORKSHEET NUMBER	
SUKUT JOB NUMBER	1214

DESCRIPTION OF WORK	REDUCED PRODUCTION FROM CUT 6	

EQUIPMENT								
MODEL	QTY	HOURS	RATE	AMOUNT ST	HRS OT	RATE	AMOUNT OT	TOTAL AMOUNT
D10 DOZER	1.00	8.00	$ 392.33	$ 3,138.64	2	$ 345.25	$ 690.50	$ 3,829.14
D10 PUSH DOZER	2.00	8.00	$ 335.83	$ 5,373.28	2	$ 295.53	$ 1,182.12	$ 6,555.40
D9 DOZER			$ 286.76	$ -		$ 252.35	$ -	$ -
D8 DOZER			$ 211.39	$ -		$ 186.02	$ -	$ -
657 SCRAPER			$ 575.70	$ -		$ 506.62	$ -	$ -
651 SCRAPER	6.00	8.00	$ 368.36	$ 17,681.28	2	$ 324.16	$ 3,889.88	$ 21,571.16
824 COMPACTOR			$ 245.75	$ -		$ 213.80	$ -	$ -
834 COMPACTOR	1.00	8.00	$ 363.66	$ 2,909.28	2	$ 316.38	$ 632.77	$ 3,542.05
328 EXCAVATOR			$ 146.69	$ -		$ 124.69	$ -	$ -
349 EXCAVATOR			$ 208.36	$ -		$ 177.11	$ -	$ -
950 LOADER			$ 146.42	$ -		$ 131.78	$ -	$ -
966 LOADER			$ 196.05	$ -		$ 176.45	$ -	$ -
WATER TRUCK	2.00	8.00	$ 57.51	$ 920.16	2	$ 50.03	$ 200.13	$ 1,120.29
SUPER 10 DUMP TRUCK			$ 71.65	$ -		$ 60.90	$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
				$ -			$ -	$ -
TOTAL EQUIPMENT COSTS								$ 36,618.05

LABOR								
JOB CLASSIFICATION	QTY	HOURS	RATE	AMOUNT ST	HRS OT	OT RATE	AMOUNT OT	TOTAL AMOUNT
FOREMAN	1.00	10.00	$ 117.00	$ 1,170.00	2.0	$ 34.00	$ 68.00	$ 1,238.00
GRADE CHECKER	1.00	10.00	$ 114.00	$ 1,140.00	2.0	$ 33.00	$ 66.00	$ 1,206.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	2.00	10.00	$ 96.00	$ 1,920.00	2.0	$ 33.00	$ 132.00	$ 2,052.00
OPERATOR	6.00	10.00	$ 96.00	$ 5,760.00	2.0	$ 33.00	$ 396.00	$ 6,156.00
OPERATOR	1.00	10.00	$ 96.00	$ 960.00	2.0	$ 33.00	$ 66.00	$ 1,026.00
OPERATOR	2.00	10.00	$ 75.00	$ 1,500.00	2.0	$ 23.00	$ 92.00	$ 1,592.00
TOTAL LABOR COSTS								$ 14,296.00

MATERIAL LUMP SUM OR UNIT PRICE PAYMENTS						
DESCRIPTION			QTY	UM	UNIT COST	TOTAL
TOTAL MATERIAL COSTS						$ -

SUKUT SUBCONTRACTOR COSTS						
DESCRIPTION	INVOICE NO.	DATE	VENDOR	UNITS	UNIT COST	TOTAL
						$ -
						$ -
						$ -
TOTAL SUBCONTRACTOR COSTS						$ -

TOTAL COST SUMMARY, STANDARD MARK-UPS AND SUBCONTRACTOR MARK-UP				
DESCRIPTION	TOTAL COST	% MARK UP	AMOUNT MARK UP	TOTAL
TOTAL COST FOR EQUIPMENT	$ 36,618.05	0.00%	$ -	$ 36,618.05
TOTAL COST FOR LABORERS AND OPERATORS	$ 14,296.00	0.00%	$ -	$ 14,296.00
TOTAL TAX ON MATERIALS	$ -	9.50%	$ -	$ -
TOTAL COST FOR MATERIALS	$ -	0.00%	$ -	$ -
TOTAL COST FOR SUBCONTRACTOR	$ -	0.00%	$ -	$ -
TOTAL FOR THIS CHANGE ORDER				$ 50,914.05
BOND COST ADD (1% OF Total)				$ 509.14
GRAND TOTAL OF THIS CHANGE ORDER REQUEST				$ 51,423.19

REDUCED DAILY PRODUCTION (CY/DAY)		23,714
UNIT COST BASED ON REDUCED PRODUCTION ($/CY)	$	2.17
LESS AVERAGE UNIT COST ($/CY)	$	1.89
LOST PRODUCTION PREMIUM ($/CY)	$	0.28
TOTAL IMPACTED QUANTITY		474,288
TOTAL LOST PRODUCTION	$	130,601.61

CUT 6 PRODUCTION DATA

DATE	LOAD COUNT	YIELD	DAILY PRODUCTION	HAUL DESCRIPTION
7/18/2017	614	30	18,420	OX (C-8 TO F-6) (P)
7/19/2017	795	30	23,850	OX (C-8 TO F-6) (P)
7/20/2017	750	30	22,500	OX (C-8 TO F-6) (P)
7/21/2017	812	30	24,360	OX (C-8 TO F-6) (P)
7/24/2017	1,022	30	30,660	OX (C-8 TO F-6) (P)
7/25/2017	963	30	28,890	OX (C-8 TO F-6) (P)
7/26/2017	883	30	26,490	OX (C-8 TO F-6) (P)
7/28/2017	716	30	21,480	C-6 To F-6
7/28/2017	716	30	21,480	C-6 To F-6
7/31/2017	792	30	23,760	C-6 To F-6
7/31/2017	792	30	23,760	C-6 To F-6
8/1/2017	805	30	24,150	C-6 To F-6
8/1/2017	805	30	24,150	C-6 To F-6
8/2/2017	1,160	30	34,800	C-6 To F-6
8/3/2017	1,160	30	34,800	C-6 To F-6
8/4/2017	922	30	27,660	C-6 To F-6
8/7/2017	873	28	24,450	C-6 To F-6
8/8/2017	920	28	25,770	C-6 To F-6
8/9/2017	936	28	26,220	C-6 To F-6
8/10/2017	975	28	27,300	C-6 To F-6
8/11/2017	1,179	28	33,000	C-6 To F-6
8/14/2017	959	28	26,850	C-6 To F-6
8/15/2017	1,115	28	31,230	C-6 To F-6
8/16/2017	1,000	30	30,000	C-6 To F-6
8/17/2017	920	30	27,600	C-6 To F-6
8/18/2017	1,016	30	30,480	C-6 To F-6
8/21/2017	904	30	27,120	C-6 To F-6
8/22/2017	1,053	30	31,590	C-6 To F-6
8/23/2017	760	30	22,800	C-6 To F-6
8/24/2017	972	30	29,160	C-6 To F-6
8/25/2017	982	30	29,460	C-6 To F-6
8/28/2017	969	30	29,070	C-6 To F-6
8/29/2017	940	30	28,200	C-6 To F-6
8/30/2017	734	30	22,020	C-6 To F-6
8/31/2017	1,010	30	30,300	C-6 To F-6
9/1/2017	840	30	25,200	C-6 To F-6
9/5/2017	1,179	30	35,370	C-6 To F-6
9/6/2017	1,220	30	36,600	C-6 To F-6
9/7/2017	1,320	30	39,600	C-6 To F-6
9/8/2017	1,315	30	39,450	C-6 To F-6
9/11/2017	1,254	30	37,620	C-6 To F-6
9/12/2017	1,330	30	39,900	C-6 To F-6
9/13/2017	1,536	30	46,080	C-6 To F-6

9/14/2017	770	30	23,100	C-6 To Replace C-6 OX
9/15/2017	1,495	30	44,850	C-6 To Replace C-6 OX
9/20/2017	751	30	22,540	OX C-6 To F-6 Replace C-8 OX
9/22/2017	755	30	22,652	OX C-6 To F-6 Replace C-8 OX
9/25/2017	793	28	22,204	OX C-6 Flip-Flop (P)
9/26/2017	770	28	21,560	OX C-6 Flip-Flop (P)
9/28/2017	790	28	22,120	OX C-6 To F-6 Replace C-8 OX
9/28/2017	765	28	21,420	OX C-6 To F-6 Replace C-8 OX
9/29/2017	811	28	22,708	C-6 To Replace C-5 OX
10/2/2017	742	28	20,776	C-6 To Replace C-5 OX
10/4/2017	721	28	20,188	C-6 To Replace C-5 OX
10/5/2017	727	28	20,356	C-6 To Replace C-5 OX
10/6/2017	768	28	21,504	C-6 To Replace C-5 OX
10/10/2017	745	28	20,860	C-6 To Replace C-5 OX
10/11/2017	770	28	21,560	C-6 To Replace C-5 OX
10/12/2017	815	28	22,820	C-6 To Replace C-5 OX
10/13/2017	764	28	21,392	C-6 To Replace C-5 OX

29,049.30 AVERAGE PRODUCTION FOR 657'S
23,714.40 AVERAGE PRODUCTION FOR 651'S

474,288.00 TOTAL IMPACTED QUANTITY (CY)

CITY OF INDUSTRY
15625 E. Stafford St.
City of Industry, CA 91744
(626)333-2211

CHANGE ORDER

Change Order No. 12

Project Industry Business Center, Phase 2
Mass Grading, Middle West Side

Contract No. IBC-0381R

Date ~~5/24/2018~~ 06/14/2018

Type Project Mass Grading/Storm Drain

Contractor Sukut Construction

Location City of Industry

Explanation:

Contractor was asked to apply hydromulch on the slopes on the eastside in lieu placing 3-inch thick wood mulch

The cost of wood mulch is $344,960 and will be credited in the final quantities

Extra Work by: _____ Contract Items | x Negotiated | _____ T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS ($) +	TOTALS ($) -
1	Added hydromulch	1	LS	$ 13,238.50	
			TOTAL COST	**$13,238.50**	

T & M SUMMARY

*Labor Cost	+ 20%	Total Labor
*Equipment Cost	+ 15%	Total Equipment
*Material Cost	+ 15%	Total Materials
(*Attach breakdown of labor, equipment and materials)		Sub-Total

CHANGE ORDER SUMMARY		% of Contract Amount			
Original Contract Amount	$30,237,655.00		Other Additive		
Total Previous Change Orders	$ 2,402,360.09	7.94%	Total T & M		
Total Change Orders	$ 2,415,598.59	7.99%	**Pay This CHANGE ORDER**	**$ 13,238.50**	0.04%

Authorized by_____ Additional Working Days _____

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

Contractor Representative — Date 5/7/18

Joshua Nelson - Contract Agency Engineer — Date 5/10/18

Troy Helling - Acting Executive Director — Date

Gerardo Perez, Project Manager — Date 5.9.18

C.O. # 12

SUKUT CONSTRUCTION

SC COR Number: **12.1**
SC Job Number: **1214**

Date: 5/4/2018

Owner: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Streeet
City of Industry, CA 91744

Attn: Agency Engineer

Project: IBC Phase 2 Mass Grading, Middle West Side - 0381R

Subject: **Additional Hydromulch on East Side**

Please see the following breakdown of change order request number 12.1.

Item:	Description:	Qty:	Unit:	Price:	Total:
1.0	Added Hydromulch	1	LS	$ 13,238.50	$ 13,238.50
				Total Amount this Request:	**$ 13,238.50**

This change order request includes all added subcontractor costs associated with the added hydromulch east of Grand Avenue and below the new access road bench west of Grand Avenue.

Thank you,

Bryan Nesthus

Sukut Construction

SUKUT CONSTRUCTION, LLC
4010 W. Chandler Avenue □ Santa Ana, CA 92704-5202
Tel: 714.540.5351 □ Fax: 714.545.2438 □ www.sukut.com
Contractor's License No. 985106

IBC - 0381R

COR 12.1 - ADDED HYDROMULCH

1 GRADING AND SUB SUPPORT

DESCRIPTION	QTY	HOURS	LABOR RATE	EQUIPMENT RATE	TOTAL RATE	TOTAL
FOREMAN	-	-	$ 117.00	$ -	$ 117.00	$ -
GRADE CHECKER	-	-	$ 114.00	$ -	$ 114.00	$ -
LABORER	-	-	$ 72.00	$ -	$ 72.00	$ -
D10 DOZER	-	-	$ 96.00	$ 374.60	$ 470.60	$ -
D9 DOZER	-	-	$ 96.00	$ 271.47	$ 367.47	$ -
657 SCRAPER	-	-	$ 96.00	$ 575.70	$ 671.70	$ -
651 SCRAPER	-	-	$ 96.00	$ 368.36	$ 464.36	$ -
824 COMPACTOR	-	-	$ 96.00	$ 233.21	$ 329.21	$ -
834 COMPACTOR	-	-	$ 96.00	$ 351.12	$ 447.12	$ -
328 EXCAVATOR	-	-	$ 96.00	$ 146.69	$ 242.69	$ -
950 LOADER	-	-	$ 96.00	$ 146.42	$ 242.42	$ -
WATER TRUCK	-	-	$ 75.00	$ 51.92	$ 126.92	$ -
SUPER 10 DUMP TRUCK	-	-	$ 75.00	$ 71.65	$ 146.65	$ -
					LABOR MARKUP 20%	$ -
					EQUIPMENT MARKUP 15%	$ -
					SUBTOTAL ITEM 1	**$ -**

2 SUBCONTRACTORS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
MARINA	12.37	ACRE	$ 1,000.00	$ 12,370.00
			MARKUP (10% ON FIRST $5,000)	$ 500.00
			MARKUP (5% AFTER $5,000)	$ 368.50
			SUBTOTAL ITEM 2	**$ 13,238.50**

3 MATERIALS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
		LS		$ -
		LS		$ -
			TAX	$ -
			MARKUP 15%	$ -
			SUBTOTAL ITEM 3	**$ -**

GRAND TOTAL (ITEMS 1 - 3) $ 13,238.50

MARINA Still Growing

CHANGE ORDER REQUEST #03

1900 S. Lewis St.
Anaheim, CA 92805-6621

Phone: (714) 939-6600
Fax: (714) 935-1199

TITLE: East Side Hydromulch

DATE: 5/7/2018

PROJECT: Industry Business Center Phase 2

MLI JOB: 177018

TO: Sukut Construction, Inc.
4010 W. Chandler
Santa Ana, Ca 92704-5202

ATTN: Bryan Nesthus

Phone: 714-975-1371

REQUEST

East side hydromulch to include slope below access road on west side of Grand.

Item	Description	Quantitiy	Unit	Unit Price	Amount
1	Hydromulch	12.37	AC	$ 1,000.00	$ 12,370.00

Total	**$ 12,370.00**

Marina Landscape, Inc.
Micah Postil

By: Micah Postil

Date: 5/7/2018

Sukut Construction, Inc.
Bryan Nesthus

Approved by: _____

Date: _____

CITY OF INDUSTRY

15625 E. Stafford St.
City of Industry, CA 91744
(626)333-2211

CHANGE ORDER

Change Order No. 13

Project Industry Business Center, Phase 2
Mass Grading, Middle West Side

Contract No. IBC-0381R

Date ~~5/24/2018~~ 06/14/2018

Type Project Mass Grading/Storm Drain

Contractor Sukut Construction

Location City of Industry

Explanation:

Additional costs to construct 32 manholes which increase in size (lengthwise) due tostorm drain plan revisions

Extra Work by: _____ Contract Items | x Negotiated | _____ T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS ($) +	TOTALS ($) -
1	Increase length of 32 manhole due to changes in the storm drain plans	1	LS	$ 30,869.48	
			TOTAL COST	**$30,869.48**	

T & M SUMMARY

*Labor Cost	+ 20%	Total Labor
*Equipment Cost	+ 15%	Total Equipment
*Material Cost	+ 15%	Total Materials
(*Attach breakdown of labor, equipment and materials)		Sub-Total

CHANGE ORDER SUMMARY		% of Contract Amount			
Original Contract Amount	$30,237,655.00		Other Additive		
Total Previous Change Orders	$ 2,415,598.59	7.99%	Total T & M		
Total Change Orders	$ 2,446,468.07	8.09%	**Pay This CHANGE ORDER**	**$ 30,869.48**	0.10%

Authorized by_____ Additional Working Days _____

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

Contractor Representative — Date 5/7/18

Joshua Nelson - Contract Agency Engineer — Date 5/10/18

Troy Nelson - Acting Executive Director — Date

Gerardo Perez, Project Manager — Date 5.9.18

C.O. # 13

SUKUT CONSTRUCTION

SC COR Number: **13.0**
SC Job Number: **1214**

Date: 4/24/2018

Owner: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Streeet
City of Industry, CA 91744

Attn: Agency Engineer

Project: IBC Phase 2 Mass Grading, Middle West Side - 0381R

Subject: **COR 13.0 - Plan Revision Manhole Changes**

Please see the following breakdown of change order request number 13.0.

Item:	Description:	Qty:	Unit:		Price:		Total:
1.0	Plan Revision Manhole Changes	1	LS	$	30,869.48	$	30,869.48
					Total Amount this Request:	**$**	**30,869.48**

This change order request includes all added labor, equipment, and material costs associated with the manhole changes from the bid set to the final construction set of storm drain plans. Original bid set plans specify length of manhole structure and the revised plans increased the quantity of manholes constructed and specified longer lengths of manhole structures. A total of 32 manhole structures were affected by the final plan revisions. This change order request is a premium to be paid in addition to the contract unit price for each respective manhole structure. The following pages include a summary of manhole length variances from bid to final plan revision, a cost estimate to substantiate the unit cost per cubic yard of concrete used in constructing a standard manhole structure, and a summary of manhole structures from both bid set and final plan revision drawings.

Thank you,

Bryan Nesthus

Sukut Construction

SUKUT CONSTRUCTION, LLC
4010 W. Chandler Avenue □ Santa Ana, CA 92704-5202
Tel: 714.540.5351 □ Fax: 714.545.2438 □ www.sukut.com
Contractor's License No. 985106

Manhole Length Variance from Bid to Final Plan Revision

Standard	Size	Variance (L)	CY/LF	Add'l CY	Cost/CY	Premium	Qty	Total
320-2	72"/60"/54"	1.77	1.23	2.17	$ 895.75	$ 1,944.99	11	$ 21,394.91
320-2	48"/36"	0.82	0.59	0.48	$ 895.75	$ 432.88	16	$ 6,926.15
321-2	36"/24"	0.76	0.75	0.57	$ 895.75	$ 509.68	5	$ 2,548.42
								$ 30,869.48

IBC - 0381R

COR 13.0 - Plan Revision Manhole Changes

1 FORM / POUR / STRIP MANHOLE

DESCRIPTION	QTY	HOURS	LABOR RATE	EQUIPMENT RATE	TOTAL RATE	TOTAL
FOREMAN	1.0	12.0	$ 117.00	$ -	$ 117.00	$ 1,404.00
GRADE CHECKER	-	-	$ 114.00	$ -	$ 114.00	$ -
LABORER	2.5	12.0	$ 72.00	$ -	$ 72.00	$ 2,160.00
D10 DOZER	-	-	$ 96.00	$ 374.60	$ 470.60	$ -
D9 DOZER	-	-	$ 96.00	$ 271.47	$ 367.47	$ -
657 SCRAPER	-	-	$ 96.00	$ 575.70	$ 671.70	$ -
651 SCRAPER	-	-	$ 96.00	$ 368.36	$ 464.36	$ -
824 COMPACTOR	-	-	$ 96.00	$ 233.21	$ 329.21	$ -
834 COMPACTOR	-	-	$ 96.00	$ 351.12	$ 447.12	$ -
490 EXCAVATOR	-	-	$ 96.00	$ 207.66	$ 303.66	$ -
210 EXCAVATOR	-	-	$ 96.00	$ 122.71	$ 218.71	$ -
FORKLIFT	1.0	12.0	$ -	$ 35.00	$ 35.00	$ 420.00
WATER TRUCK	-	-	$ 75.00	$ 51.92	$ 126.92	$ -
SUPER 10 DUMP TRUCK	-	-	$ 75.00	$ 71.65	$ 146.65	$ -
					LABOR MARKUP 20%	$ 712.80
					EQUIPMENT MARKUP 15%	$ 63.00
					SUBTOTAL ITEM 1	**$ 4,759.80**

2 MATERIALS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
CONCRETE	7.0	CY	$ 115.00	$ 805.00
FORMS	1.0	LS	$ 200.00	$ 200.00
REBAR	1.0	LS	$ 200.00	$ 200.00
			TAX	$ 108.45
			MARKUP 15%	$ 197.02
			SUBTOTAL ITEM 2	**$ 1,510.47**

GRAND TOTAL (ITEMS 1 - 2) $ 6,270.27

COST PER CY: $ 895.75

IBC WEST SIDE PHASE 2

MANHOLE SCHEDULE

PER PLAN REVISION 2/3

	LINE	STA	PIPE ID	START	END	L	STD
1	W-1	11+71.36	72	11+70.53	11+78.87	9.34	320-2
2	W-1	16+76.8	72	16+72.8	16+77.8	6.00	320-2
3	W-1	20+32.45	72	20+31.43	20+39.77	9.34	320-2
4	W-1	23+31.	72	23+30.	23+39.25	10.25	320-2
5	W-1	27+70.82	72	27+70.08	27+80.66	11.58	322-2
6	W-1	32+08.12	72	32+07.12	32+15.95	9.83	320-2
7	W-1	37+83.33	72	37+82.83	37+90.93	9.10	320-2
8	W-1	42+61.16	72	42+57.16	42+62.16	6.00	320-2
9	W-1	47+68.42	72	47+67.59	47+75.72	9.13	320-2
10	W-1	50+13.47	60	50+12.69	50+20.97	9.28	322-2
11	W-1	53+68.94	60	53+64.45	53+69.94	6.49	320-2
12	W-1	57+65.56	60	57+61.56	57+66.56	6.00	320-2
13	W-1G	5+23.18	54	5+22.42	5+27.81	6.39	320-2
14	B-1	20+48.65	36	20+47.09	20+54.63	8.54	320-2
15	B-1	22+59.05	36	22+58.19	22+64.21	7.02	320-2
16	B-1	25+01.35	36	25+00.49	25+06.51	7.02	321-2
17	B-1Z	1+22.47	24	1+21.1	1+27.17	7.07	321-2
18	W-2	101+34.27	36	101+32.78	101+40.13	8.35	320-2
19	W-2	104+08.06	36	104+04.06	104+09.06	6.00	320-2
20	W-2	106+95.68	36	106+92.35	106+99.01	7.66	320-2
21	W-2	110+26.38	36	110+22.38	110+27.38	6.00	320-2
22	W-2	113+54.7	36	113+50.7	113+55.7	6.00	320-2
23	W-2	116+82.39	36	116+76.42	116+83.39	7.97	320-2
24	W-2	120+28.22	36	120+24.22	120+29.22	6.00	320-2
25	W-2	123+73.42	36	123+69.42	123+74.42	6.00	320-2
26	W-2	127+15.13	36	127+14.63	127+21.44	7.81	320-2
27	W-2	131+16.45	36	131+12.45	131+17.45	6.00	320-2
28	W-2	135+14.27	36	135+10.27	135+15.27	6.00	320-2
29	W-2	139+08.77	36	139+08.1	139+13.97	6.87	321-2
30	W-3	1+91.06	24	1+89.71	1+95.67	6.96	321-2
31	W-4	1+34.36	36	1+30.79	1+35.36	5.57	320-2
32	W-4	3+51.25	36	3+47.75	3+52.25	5.50	320-2
33	W-4	6+23.88	36	6+20.38	6+24.88	5.50	320-2
34	W-4	8+32.11	36	7+97.58	8+04.72	8.14	321-2

Standard	Size	Avg L
320-2	72"/60"/54"	7.99
320-2	48"/36"	6.62
321-2	36"/24"	7.21

IBC WEST SIDE PHASE 2

MANHOLE SCHEDULE

PER BID SET PLANS

	LINE	STA	PIPE ID	START	END	L	STD
1	W-1	12+76.5	72	12+72.5	12+77.5	6.00	320-2
2	W-1	17+76.5	72	17+72.5	17+77.5	6.00	320-2
3	W-1		72			1.00	320-2
4	W-1		72			1.00	320-2
5	W-1	27+86.67	72	27+78.11	27+87.67	10.56	322-2
6	W-1	32+87.83	60	32+83.83	32+88.83	6.00	320-2
7	W-1	37+26.65	60	37+22.65	37+27.65	6.00	320-2
8	W-1	42+33.	60	42+29.	42+34.	6.00	320-2
9	W-1	47+29.	60	47+25.	47+30.	6.00	320-2
10	W-1	52+06.1	60	52+00.54	52+07.1	7.56	320-2
11	W-1		60			1.00	320-2
12	W-1		60			1.00	320-2
13	W-1G		54			1.00	320-2
14	B-1		36			1.00	320-2
15	B-1		36			1.00	320-2
16	B-1		36			1.00	321-2
17	B-1Z		24			1.00	321-2
18	W-2	104+51.5	48	104+47.5	104+52.5	6.00	320-2
19	W-2	108+75.74	48	108+71.74	108+76.74	6.00	320-2
20	W-2	112+51.5	48	112+47.5	112+52.5	6.00	320-2
21	W-2	116+51.5	48	116+47.5	116+52.5	6.00	320-2
22	W-2	120+51.5	48	120+47.5	120+52.5	6.00	320-2
23	W-2	124+51.5	48	124+47.5	124+52.5	6.00	320-2
24	W-2	128+55.5	48	128+54.73	128+59.35	5.62	320-2
25	W-2	133+10.42	36	133+06.8	133+11.42	5.62	320-2
26	W-2	136+20.	36	136+16.4	136+21.	5.60	321-2
27	W-2	138+04.56	24	138+00.94	138+05.56	5.62	321-2
28	W-2		36			1.00	320-2
29	W-2		36			1.00	321-2
30	W-3	1+46.58	18	1+42.65	1+47.58	5.93	321-2
31	W-3	4+26.22	18	4+24.22	4+28.22	5.00	321-2
32	W-4	1+34.36	36	1+30.79	1+35.36	5.57	320-2
33	W-4	3+51.25	36	3+47.75	3+52.25	5.50	320-2
34	W-4	6+25.28	36	6+21.78	6+26.28	5.50	320-2
35	W-4	8+03.72	36	7+97.58	8+04.72	8.14	321-2

Standard	Size	Avg L	**Variance (L)**
320-2	72"/60"/54"	6.22	**1.77**
320-2	48"/36"	5.80	**0.82**
321-2	36"/24"	6.45	**0.76**

CITY OF INDUSTRY

15625 E. Stafford St.
City of Industry, CA 91744
(626)333-2211

CHANGE ORDER

Change Order No. 14

Project Industry Business Center, Phase 2
Mass Grading, Middle West Side

Contract No. IBC-0381R

Date ~~5/24/2018~~ 06/14/2018

Type Project Mass Grading/Storm Drain

Contractor Sukut Construction

Location City of Industry

Explanation:

Request from City Staff to clear brush behind the residences in Diamond Bar along the IBC property line

Extra Work by: _____ Contract Items _____ Negotiated X T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS ($) +	TOTALS ($) -
1	Brush clearing and weed abatement	1	LS	$ 7,222.87	
			TOTAL COST	**$7,222.87**	

T & M SUMMARY

*Labor Cost	+ 20%	Total Labor
*Equipment Cost	+ 15%	Total Equipment
*Material Cost	+ 15%	Total Materials
(*Attach breakdown of labor, equipment and materials)		Sub-Total

CHANGE ORDER SUMMARY		% of Contract Amount			
Original Contract Amount	$30,237,655.00		Other Additive		
Total Previous Change Orders	$ 2,446,468.07	8.09%	Total T & M		
Total Change Orders	$ 2,453,690.94	8.11%	**Pay This CHANGE ORDER**	**$ 7,222.87**	0.02%

Authorized by_____ Additional Working Days _____

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

5/7/18
Contractor Representative — Date

5/10/18
Joshua Nelson - Contract Agency Engineer — Date

Troy Helling - Acting Executive Director — Date

5/9/18
Gerardo Perez, Project Manager — Date

C.O. # 14

SUKUT CONSTRUCTION

SC COR Number: **14.0**
SC Job Number: **1214**

Date: 5/8/2018

Owner: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Streeet
City of Industry, CA 91744

Attn: Agency Engineer

Project: IBC Phase 2 Mass Grading, Middle West Side - 0381R

Subject: **COR 14.0 - Weed Abatement**

Please see the following breakdown of change order request number 14.0.

Item:	Description:	Qty:	Unit:	Price:	Total:
1.0	Weed Abatement	1	LS	$ 7,222.87	$ 7,222.87
				Total Amount this Request:	**$ 7,222.87**

This change order request includes all added labor, equipment, and subcontractor costs associated with the weed abatement work performed on the east side of Grand Avenue behind the existing homes near the desilting basin. The work took place 4/20 thru 4/24/18.

Thank you,

Bryan Nesthus

Sukut Construction

SUKUT CONSTRUCTION, LLC
4010 W. Chandler Avenue □ Santa Ana, CA 92704-5202
Tel: 714.540.5351 □ Fax: 714.545.2438 □ www.sukut.com
Contractor's License No. 985106

IBC - 0381R

COR 14.0 - Weed Abatement

1 SUKUT WEED ABATEMENT

DESCRIPTION	QTY	HOURS	LABOR RATE	EQUIPMENT RATE	TOTAL RATE	TOTAL
FOREMAN	1.0	4.0	$ 117.00	$ -	$ 117.00	$ 468.00
GRADE CHECKER	-	-	$ 114.00	$ -	$ 114.00	$ -
LABORER	-	-	$ 72.00	$ -	$ 72.00	$ -
D10 DOZER	-	-	$ 96.00	$ 374.60	$ 470.60	$ -
D9 DOZER	-	-	$ 96.00	$ 271.47	$ 367.47	$ -
657 SCRAPER	-	-	$ 96.00	$ 575.70	$ 671.70	$ -
651 SCRAPER	-	-	$ 96.00	$ 368.36	$ 464.36	$ -
824 COMPACTOR	-	-	$ 96.00	$ 233.21	$ 329.21	$ -
834 COMPACTOR	-	-	$ 96.00	$ 351.12	$ 447.12	$ -
328 EXCAVATOR	-	-	$ 96.00	$ 146.69	$ 242.69	$ -
430 BACKHOE	1.0	8.0	$ 96.00	$ 49.07	$ 145.07	$ 1,160.56
950 LOADER	-	-	$ 96.00	$ 146.42	$ 242.42	$ -
WATER TRUCK	1.0	8.0	$ 75.00	$ 27.77	$ 102.77	$ 822.16
SUPER 10 DUMP TRUCK	-	-	$ 75.00	$ 71.65	$ 146.65	$ -
					LABOR MARKUP 20%	$ 367.20
					EQUIPMENT MARKUP 15%	$ 92.21
					SUBTOTAL ITEM 1	**$ 2,910.13**

2 SUBCONTRACTORS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
MARINA LANDSCAPE	1.0	LS	$ 3,920.67	$ 3,920.67
			MARKUP (10% ON FIRST $5,000)	$ 392.07
			MARKUP (5% AFTER $5,000)	$ -
			SUBTOTAL ITEM 2	**$ 4,312.74**

3 MATERIALS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
				$ -
				$ -
			TAX	$ -
			MARKUP 15%	$ -
			SUBTOTAL ITEM 3	**$ -**

GRAND TOTAL (ITEMS 1 - 3) $ 7,222.87

MARINA Still Growing

CHANGE ORDER REQUEST #04

1900 S. Lewis St.
Anaheim, CA 92805-6621

Phone: (714) 939-6600
Fax: (714) 935-1199

TITLE: Weed Abatement **DATE:** 5/7/2018

PROJECT: Industry Business Center Phase 2 **MLI JOB:** 177018

TO: Sukut Construction, Inc.
4010 W. Chandler
Santa Ana, Ca 92704-5202

ATTN: Bryan Nesthus

Phone: 714-975-1371

REQUEST

Please review and approve for payment

EWT No.	Description	Quantitiy	Unit	Unit Price	Amount
105300	Work perfromed 4/20/2018	1.00	LS	$ 2,026.21	$ 2,026.21
101812	Work perfromed 4/23/2018	1.00	LS	$ 1,894.46	$ 1,894.46

Total	$ 3,920.67

Marina Landscape, Inc.
Micah Postil

By: Micah Postil

Date: 5/7/2018

Sukut Construction, Inc.
Bryan Nesthus

Approved by: _____

Date: _____

DAILY EXTRA WORK REPORT

Sub: MU Bill: 7.0 Job: 177018 $2,026.21

Successor Agency - Urban Development

Contractor Job: 177018 - Industry Business Center Ph2

Work Performed By: Marina Landscape, Inc. (For Sukut Construction, Inc.)

Description of Work: Clean Up Weeds On Slope

Ticket No. 105300 ☒ Signed

Change Order	004
Billing Number	7.0
Report Date	5/07/2018
Perform Date	4/20/2018

Labor Charges

	Craft ID	Employee Name	RT Hrs	OT Hrs	Subs Units	RT Rate	OT Rate	Subs Rate	Extended
L01	FTR FTR	F Foreman	4.00			75.050			300.20
L02	LBR LBR	L Laborer, Journeyman	4.00			64.790			259.16
L03	LBR LBR	L Laborer, Journeyman	4.00			64.790			259.16
L04	LBR LBR	L Laborer, Journeyman	4.00			64.790			259.16
L05	SUP FTR	Supervisor/Superintendent	2.00			85.000			170.00

Equipment Charges

	Equipment ID	Description	RT Hrs	OT Hrs	RT Rate	OT Rate	Delay Factor	Extended
E01	501.1	Weed Wacker	4.00		15.000			60.00
E02	501.4	Weed Wacker	4.00		15.000			60.00
E03	781.5	Bobcat	4.00		55.000			220.00
E04	717.1	Truck F250 Ford	4.00		30.000			120.00

Labor Charges

RT Labor	1,247.68
OT Labor	0.00
Subtotal Labor	1,247.68
Subsistence	0.00
Other Expenses	0.00
MU 20.00%	249.53
Labor Total	1,497.21

Equipment Charges

Subtotal	460.00
MU 15.00%	69.00
Equipment Total	529.00

Material Charges

Activity Total	2,026.21
Work Total	2,026.21
Bill Subtotal	2,026.21
Bill Total +	2,026.21

For Owner/Resident Engineer's Use Only

☐ New Bill ☐ Approved for Payment Date of Action:

☐ Resubmittal ☐ Returned for Correction Date Received:

NTS Universal Bill Form

www.ewbills.com

7

MARINA

DAILY EXTRA WORK REPORT

Job Title: [illegible] Job No./Contract: [illegible] Cost Code #: [illegible]

Location: [illegible] Date Performed: [illegible] Date of Report: [illegible]

Description of Work: Clean up weeds on slope directed by Bryan from bulbout East side of [illegible] Lane

QTY	DESCRIPTION	HOURS	HOURLY RATE		EXTENDED AMOUNTS	
1	Foreman	4				
3	Laborers @ 4 each	12				
1	Sweeper	2				
	TOTAL COST OF LABOR					

EQUIPMENT NO		HOURS				
1	weed whacker					
1	mow attachment	4				
1	Bobcat	4				
[illegible]	F-250 crew truck	4				

MATERIALS	QUANTITY	AMOUNT		
COMMENTS AREA				
[illegible] in 1 [illegible]	1			
TOTAL COST OF EQUIPMENT AND MATERIALS	B			

The above record is complete and

[signature] Alex G.

Contractor/Representative

[signature]

Customer's Signature

Blue Maldonado

+20% on Labor Cost	(A)	
+15% on Equipment & Material Cost	(B)	
+10% on Labor, Equipment & Materials Cost	(C)	
+ Work Performed by Approved Subcontractor		
SUB-TOTAL THIS REPORT		
+1% on Subtotal	(D)	
TOTAL THIS REPORT		

MARINA LANDSCAPE, INC.
[illegible] S. Lewis Street, Anaheim, CA [illegible] Phone: [illegible] Fax: [illegible]

DAILY EXTRA WORK REPORT

Sub: MLI Bill: 8.0 Job: 177018 $1,894.46

Successor Agency - Urban Development

Contractor Job: 177018 - Industry Business Center Ph2

Work Performed By: Marina Landscape, Inc. (For Sukut Construction, Inc.)

Description of Work: Weed Abatement

Ticket No. 101812 ☒ Signed

Change Order	004
Billing Number	8.0
Report Date	5/07/2018
Perform Date	4/23/2018

Labor Charges

	Craft ID	Employee Name	RT Hrs	OT Hrs	Subs Units	RT Rate	OT Rate	Subs Rate	Extended
L01	FTR FTR	F Foreman	8.00			75.050			600.40
L02	LBR LBR	L Laborer, Journeyman	8.00			64.790			518.32

Equipment Charges

	Equipment ID	Description	RT Hrs	OT Hrs	RT Rate	OT Rate	Delay Factor	Extended
E01	717.1	Truck F250 Ford	8.00		30.000			240.00
E02	501.1	Weed Wacker	8.00		15.000			120.00
E03	501.4	Weed Wacker	8.00		15.000			120.00

Labor Charges

RT Labor		1,118.72
OT Labor		0.00
Subtotal Labor		1,118.72
Subsistence		0.00
Other Expenses		0.00
MU	20.00%	223.74
Labor Total		1,342.46

Equipment Charges

Subtotal		480.00
MU	15.00%	72.00
Equipment Total		552.00

Material Charges

Activity Total	1,894.46
Work Total	1,894.46
Bill Subtotal	1,894.46
Bill Total +	1,894.46

For Owner/Resident Engineer's Use Only

☐ New Bill ☐ Approved for Payment Date of Action:

☐ Resubmittal ☐ Returned for Correction Date Received:

101812

#8

MARINA Still Growing

DAILY EXTRA WORK REPORT

Billed to: SUKUT Job No. /Contract: 17018 Cost Code #: 9204
Location: City of Industry Date Performed: 4/25/18 Date of Report: 4/25/18
Description of Work:
weed abatement

QTY	DESCRIPTION	HOURS	HOURLY RATE	EXTENDED AMOUNTS
1	Foreman x Ohrs	8		
1	Laborer x Ohrs	8		
	TOTAL COST OF LABOR			
EQUIPMENT NO.				
1	Crewtruck x Ohrs	8		
2	weedwacker	8		
MATERIALS		QUANTITY	AMOUNT	
COMMENTS AREA				
	TOTAL COST OF EQUIPMENT AND MATERIALS	B		

The above record is complete and

Contractor/Representative

Customer's Signature

+20% on Labor Cost	(A)	
+15% on Equipment & Material Cost	(B)	
+10% on Labor, Equipment & Materials Cost*	(C)	
If Work Performed is by Approved Subcontractor		
SUB-TOTAL THIS REPORT		
+1% on Subtotal	(D)	
TOTAL THIS REPORT		

MARINA LANDSCAPE, INC.
1900 S. Lewis Street, Anaheim, CA 92805 Phone: (714) 939-6600 Fax: (714) 935-1199

Contractor's License Number 492862 • Website: www.marinaco.com White – Accounting Yellow – Field Pink – Owner/Agency

CITY OF INDUSTRY

15625 E. Stafford St.
City of Industry, CA 91744
(626)333-2211

CHANGE ORDER

Change Order No. 15

Project Industry Business Center, Phase 2
Mass Grading, Middle West Side

Contract No. IBC-0381R

Date ~~5/24/2018~~ 06/14/2018

Type Project Mass Grading/Storm Drain

Contractor Sukut Construction

Location City of Industry

Explanation:

Adjust two manholes to grade in the existing access road not part of the original contract

Extra Work by: _____ Contract Items | X Negotiated | _____ T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS ($) +	TOTALS ($) -
1	Adjust two manholes	1	LS	$ 1,000.00	
			TOTAL COST	**$1,000.00**	

T & M SUMMARY

*Labor Cost	+ 20%	Total Labor
*Equipment Cost	+ 15%	Total Equipment
*Material Cost	+ 15%	Total Materials
(*Attach breakdown of labor, equipment and materials)		Sub-Total

CHANGE ORDER SUMMARY		% of Contract Amount		
Original Contract Amount	$30,237,655.00		Other Additive	
Total Previous Change Orders	$ 2,453,690.94	8.11%	Total T & M	
Total Change Orders	$ 2,454,690.94	8.12%	**Pay This CHANGE ORDER**	**$ 1,000.00** 0.003%

Authorized by_____ Additional Working Days _____

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

Contractor Representative — Date 5/7/18

Joshua Nelson - Contract Agency Engineer — Date 5/10/18

Troy Helling - Acting Executive Director — Date

Gerardo Perez, Project Manager — Date 5.9.18

C.O. # 15

SUKUT CONSTRUCTION

SC COR Number: **15.0**
SC Job Number: **1214**

Date: 4/27/2018

Owner: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Streeet
City of Industry, CA 91744

Attn: Agency Engineer

Project: IBC Phase 2 Mass Grading, Middle West Side - 0381R

Subject: **COR 15.0 - Adjust Two Manholes on Access Road**

Please see the following breakdown of change order request number 15.0.

Item:	Description:	Qty:	Unit:	Price:	Total:
1.0	Adjust Manholes	1	LS	$ 1,000.00	$ 1,000.00
				Total Amount this Request:	**$ 1,000.00**

This change order request includes the quoted price for all added labor, equipment, and material costs associated with the adjustment of two manholes within the AC paving on the 23' wide access road. The attached spreadsheet shows the actual labor, equipment, and material cost for the adjustment of the two manholes.

Thank you,

Bryan Nesthus

Sukut Construction

SUKUT CONSTRUCTION, LLC
4010 W. Chandler Avenue □ Santa Ana, CA 92704-5202
Tel: 714.540.5351 □ Fax: 714.545.2438 □ www.sukut.com
Contractor's License No. 985106

IBC - 0381R
COR 15.0 - Adjust Two Manholes on Access Road

1 ADJUST MANHOLES

DESCRIPTION	QTY	HOURS	LABOR RATE	EQUIPMENT RATE	TOTAL RATE	TOTAL
FOREMAN	1.0	16.0	$ 117.00	$ -	$ 117.00	$ 1,872.00
GRADE CHECKER	-	-	$ 114.00	$ -	$ 114.00	$ -
LABORER	1.0	16.0	$ 72.00	$ -	$ 72.00	$ 1,152.00
D10 DOZER	-	-	$ 96.00	$ 374.60	$ 470.60	$ -
D9 DOZER	-	-	$ 96.00	$ 271.47	$ 367.47	$ -
657 SCRAPER	-	-	$ 96.00	$ 575.70	$ 671.70	$ -
651 SCRAPER	-	-	$ 96.00	$ 368.36	$ 464.36	$ -
824 COMPACTOR	-	-	$ 96.00	$ 233.21	$ 329.21	$ -
834 COMPACTOR	-	-	$ 96.00	$ 351.12	$ 447.12	$ -
328 EXCAVATOR	-	-	$ 96.00	$ 146.69	$ 242.69	$ -
430 BACKHOE	-	-	$ 96.00	$ 49.07	$ 145.07	$ -
950 LOADER	-	-	$ 96.00	$ 146.42	$ 242.42	$ -
WATER TRUCK	-	-	$ 75.00	$ 27.77	$ 102.77	$ -
SUPER 10 DUMP TRUCK	-	-	$ 75.00	$ 71.65	$ 146.65	$ -
AIR COMPRESSOR	1.0	8.0	$ -	$ 37.50	$ 37.50	$ 300.00
					LABOR MARKUP 20%	$ 604.80
					EQUIPMENT MARKUP 15%	$ 45.00
					SUBTOTAL ITEM 1	**$ 3,973.80**

2 MATERIALS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
CONCRETE	1.0	LS	$ 100.00	$ 100.00
MOVE AIR COMPRESSOR	1.0	LS	$ 150.00	$ 150.00
				$ -
			TAX	$ 20.00
			MARKUP 15%	$ 40.50
			SUBTOTAL ITEM 2	**$ 310.50**

GRAND TOTAL (ITEMS 1 - 2) $ 4,284.30

CITY OF INDUSTRY

15625 E. Stafford St.
City of Industry, CA 91744
(626)333-2211

CHANGE ORDER

Change Order No. 16

Project Industry Business Center, Phase 2
Mass Grading, Middle West Side

Contract No. IBC-0381R

Date ~~5/24/2018~~ 06/14/2018

Type Project Mass Grading/Storm Drain

Contractor Sukut Construction

Location City of Industry

Explanation:

Remove and dispose of condensate in the landfill tank

Extra Work by: _____ Contract Items | X Negotiated | _____ T & M

The contractor is hereby directed to perform all labor and to provide all materials necessary to carry out the work described below:

ITEM NO.	ITEM	QUANTITY	UNIT PRICE	TOTALS ($) +	TOTALS ($) -
1	Removal and Disposal of condensate	1	LS	$ 1,098.46	
			TOTAL COST	**$1,098.46**	

T & M SUMMARY

*Labor Cost	+ 20%	Total Labor
*Equipment Cost	+ 15%	Total Equipment
*Material Cost	+ 15%	Total Materials
(*Attach breakdown of labor, equipment and materials)		Sub-Total

CHANGE ORDER SUMMARY		% of Contract Amount			
Original Contract Amount	$30,237,655.00		Other Additive		
Total Previous Change Orders	$ 2,454,690.94	8.12%	Total T & M		
Total Change Orders	$ 2,455,789.40	8.12%	**Pay This CHANGE ORDER**	**$ 1,098.46**	0.004%

Authorized by_____ Additional Working Days _____

I hereby certify that the quantities shown and/or amounts shown for equipment, material and labor costs (if any) are correct to the best of my knowledge and the total cost shown above shall be considered final payment for the work specified by this change order. The total cost includes compensation for any delay in the preparation of this change order and the time to complete the specified work.

Contractor Representative — Date 5/7/18

Joshua Nelson - Contract Agency Engineer — Date 5/10/18

Troy Helling - Acting Executive Director — Date

Gerardo Perez, Project Manager — Date 5.9.18

C.O. # 16

SUKUT CONSTRUCTION

SC COR Number: **16.0**
SC Job Number: **1214**

Date: 5/4/2018

Owner: Successor Agency to the Industry Urban-Development Agency
15625 East Stafford Streeet
City of Industry, CA 91744

Attn: Agency Engineer

Project: IBC Phase 2 Mass Grading, Middle West Side - 0381R

Subject: **COR 16.0 - Condensate Disposal**

Please see the following breakdown of change order request number 16.0.

Item:	Description:	Qty:	Unit:	Price:	Total:
1.0	Condensate Disposal	1	LS	$ 1,098.46	$ 1,098.46
				Total Amount this Request:	**$ 1,098.46**

This change order request includes all added labor, equipment, and subcontractor costs associated with the condensate disposal from the storage tank on the east side of Grand Avenue.

Thank you,

Bryan Nesthus

Sukut Construction

SUKUT CONSTRUCTION, LLC
4010 W. Chandler Avenue □ Santa Ana, CA 92704-5202
Tel: 714.540.5351 □ Fax: 714.545.2438 □ www.sukut.com
Contractor's License No. 985106

IBC - 0381R

COR 16.0 - Condensate Disposal

1

DESCRIPTION	QTY	HOURS	LABOR RATE	EQUIPMENT RATE	TOTAL RATE	TOTAL
FOREMAN	-	-	$ 117.00	$ -	$ 117.00	$ -
GRADE CHECKER	-	-	$ 114.00	$ -	$ 114.00	$ -
LABORER	-	-	$ 72.00	$ -	$ 72.00	$ -
D10 DOZER	-	-	$ 96.00	$ 374.60	$ 470.60	$ -
D9 DOZER	-	-	$ 96.00	$ 271.47	$ 367.47	$ -
657 SCRAPER	-	-	$ 96.00	$ 575.70	$ 671.70	$ -
651 SCRAPER	-	-	$ 96.00	$ 368.36	$ 464.36	$ -
824 COMPACTOR	-	-	$ 96.00	$ 233.21	$ 329.21	$ -
834 COMPACTOR	-	-	$ 96.00	$ 351.12	$ 447.12	$ -
328 EXCAVATOR	-	-	$ 96.00	$ 146.69	$ 242.69	$ -
430 BACKHOE	-	-	$ 96.00	$ 49.07	$ 145.07	$ -
950 LOADER	-	-	$ 96.00	$ 146.42	$ 242.42	$ -
WATER TRUCK	-	-	$ 75.00	$ 27.77	$ 102.77	$ -
SUPER 10 DUMP TRUCK	-	-	$ 75.00	$ 71.65	$ 146.65	$ -
					LABOR MARKUP 20%	$ -
					EQUIPMENT MARKUP 15%	$ -
					SUBTOTAL ITEM 1	**$ -**

2 SUBCONTRACTORS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
UNITED PUMPING SERVICE	1.0	LS	$ 998.60	$ 998.60
			MARKUP (10% ON FIRST $5,000)	$ 99.86
			MARKUP (5% AFTER $5,000)	$ -
			SUBTOTAL ITEM 2	**$ 1,098.46**

3 MATERIALS

DESCRIPTION	QTY	UNIT	SUBTOTAL	TOTAL
				$ -
				$ -
			TAX	$ -
			MARKUP 15%	$ -
			SUBTOTAL ITEM 3	**$ -**

GRAND TOTAL (ITEMS 1 - 3) $ 1,098.46

United Pumping Service, Inc.
14000 East Valley Blvd
City of Industry CA 91746

INVOICE NO. **INV150697**

CUSTOMER NO. SUCO10000

Service Contract

Project Name

JOB SITE ADDRESS:
SUKUT CONSTRUCTION
394 S. GRAND AVE
(SEE ATTACHED MAP)
CITY OF INDUSTRY, CA 91789

BILL TO ADDRESS:
SUKUT CONSTRUCTION
4010 CHANDLER AVENUE
SANTA ANA, CA 92704

SCOPE OF WORK: PUMP OUT CONCENTRATED H20.
OFFLOAD WASTE @ POMOMA.

DATE:
04/30/18

CONTRACT/P.O. #

SALES CODE:
Ruben Clark (626) 4

NET TERMS:
NET30

MANIFEST NO. MANUAL WORK ORDER

128507
1253639

QTY.	UNIT	DESCRIPTION	DATE	W.O. #	UNIT PRICE	TOTAL AMT.
4.5	HOUR	VACUUM TRK-120 BBLS MILD STEEL(C	04/23/18	WO137804	89.00	400.50
2	HOUR	PW OP ENGINEER GRP 4MINI BH,EXC<	04/23/18	WO137804	70.00	140.00
0.2	PERCEN	FUEL/INSURANCE SURCHARGE	04/23/18	WO137804	400.50	80.10
1	EACH	DISPOSAL FEE-1253639(PWW)	04/23/18	WO137804	315.00	315.00
0.2	PERCEN	20% SURCHARGE	04/23/18	WO137804	315.00	63.00

Sales Tax: 0.00
TOTAL: 998.60